No. 28,531

Monday July 27 1981



encourage employers to give job preference to school-leavers

are expected to form a major

Commons this afternoon.

tions and from

pay rates.

Below-rate pay

for school-leavers

FINANCIAL INCENTIVES to and job programmes for young

SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE



Japan

trade gap

U.S. TRADE deficit with

Japan is likely to reach a record

\$13-14bn this year, Commerce

Secretary Malcolm Baldridge warned. Back Page; Trucks im-

company assets. Boussac-Saint-

Frères, its troubled manufactur-

ing side, received a FFr 100m

(£9.2m) government loan. Back

• BRITISH TELECOM and the

German Bundespost may co-

ordinate purchasing, with the

possibility of optical fibre orders

being placed in the UK. Back

to double the number of "eligible names"—banks whose

bills it accepts—to more than 100. Back Page; More challenges to status ruling, Page 4

EUROPEAN, MONETARY

System evidenced little internal

pressure last week with trading

once again dominated by move

ments in U.S. interest rates. The

French franc was slightly

weaker than the previous week

reflecting a softer tendency in

French domestic money rates.

the weakest currency but re-mained within its maximum

permitted divergence against

the strongest member, the D-

mark. Other currencies showed

little overall change, partly

EMS July 24, 1981.

on European Monetary System exchange rates. The upper grid, based on the weekest currency in the system defines the cross rates from which no currency jexcept the livaj may move more than 2's per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

· STERLING should return to

the \$2 level in the next two to three months, City forecasts

CREDIT CARDS recommen-

dation by the Monopolies Com-

mission, allowing merchants to

● COAL BOARD's South Wales

area is expected to announce

foday a record loss of more than

£60m for 1980-81, renewing pit

TEESSIDE STEEL complex

is under close scrutiny by BSC

because it is failing to meet pro-

voted to resume negotiations on

ISRAELI WHEAT crop will

be a third lower this year at

about 180,000 tonnes, and a

further 70,000 tonnes will have

LIVERPOOL DOCKERS

ductivity targets. Page 4

closure fears. Page 5

charge extra, may not implemented. Back Page

say. Page 4

U.S. interest rates

The Belgian franc was again

AGACHE-WILLOT textile

port tariff to stay, Page 3

GENERAL visas may be

revoked New Zealand's Attorney General is to envise the government on

the legality of withdrawing the African Springboks' The rugby tourists' second ase, at Hamilton on Saturday. was prevented by a violent mass apri-apartheid demonstration.

Last night, after a day of

chief Jean-Pierre Willot was charged in Paris with misusing talks between the government, the New Zealand rugby union and the police, acring Premier Bunean McIntyre said any de-cision to call off the tour would be up to the rugby union. But if the rugby union did not cancel the tour, the decision would become the government's responsibility. Page 2

Strikes threat Poland's Solidarity trade union threatened protest action in . • BANK OF ENGLAND plans

cluding strikes, if the Government cuts meat rations. Page 2

israel link cut

The Phalangist Party, the dominant Christian group in the with Israel Back Page

Hospital arson

A blaze which seriously damaged St Bartholomew's Hospital, London, on Saturday night was started deliberately. police said. Three hundred patients were evacuated.

'Mods' arrested

Fourteen were arrested after extra police were called to Keswick in the Lake District 12 deal with 1,000 moster-riding mode" who threw stones and bottles and damaged a caravan and krosks on Saturday night.

Killer escapes

Police warned the public not to tackle 16-year-old Simon slaughter, who escaped from a top security treatment centre in Birmingham.

Tanker held

Hamburg port authorities will not allow a Liberian-registered tanker to leave until damages have been paid for an oil spillage which killed fish and

No action on leak

The Director of Public Prosecutions is to take no action under the Official Secrets Act over leaks to the Press Association of £400m defence cut proposals.

Roads need £13bn

Nearly £13bn is needed to improve Britain's roads, includ-ing £5bn for trunk roads, says British Road Federation

Belize date

Belize, Britain's last colony on the American mainland, is to become independent on September 22. Page 2

Just practising

More than 10,000 people, waving flags and cheering. watched a dozen carriages travel from Clarence House to St Paul's Cathedral in rehearsal Wednesday's wedding.

Briefly ... Iranian presidential election was won by Mr Mohammed al Rajai. Page 2

a pay formula and will consider productivity changes. Page 6 Russian heatwave which caused many forest fires will last into- GROCERY PRICES index fell next month, says Pravda. this month for the first time in 10 months, mainly because of cheaper fruit and vegetables.

International Whaling Commission backed a world ban on hunting sperm whales. Page 4 At least 30 people died in floods

in Pakistan. Army defused a bomb found underneath a train at Portadown, Co Armagh.

Management:

to be imported. CONTENTS

Business travel: guide to reacts to social pulse worldwide costs 12 Lombard: Samuel Brittan clouds gather 13 of judge-made law 10
Editorial comment: Middle Technology: Ford test gas East ceasefire; whaling 12 turbine engine 8 Survey:

Monsanto Australian Minerals Insert

TV and Radio UK News Unit Trusts World Econ. Ind. World Stock Mikts-World Trade ANNUAL STATEMENT

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BP puts off £675m Springbok U.S. fear oilfield plan 'because of record of offshore tax changes' in jobs plan

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM has postponed a \$1.25bm (£675m) plan to exploit its Andrew oil-field in the North Sea. It indicated that the reason was offshore tax changes. It is the most dramatic indica-

tion to date that the tax structure is beginning to slow down UK oil developments. Two smaller projects, extensions of the Claymore and Thistle Fields, have already

been shelved. It is known that the Phillips exploration group is reassessing the possible \$3bn (£1.6bn)-plus development of its T-block complex of fields as a result of new drilling information and tax considerations.

.BP had intended to submit to the Energy Department development proposals for the Audrew Field during the present July-December period. This would have enabled production to begin in 1984-85.

As a result of recent North Sea tax increases and the prospect of further changes in the tax structure in the spring. BP is now unlikely to present a development proposal before next summer.
This will delay start of pro-

duction at least to 1985, and more probably to 1986. The field, about 150 miles north-east of Aberdeen in looked to be "quite a good blocks 16-27 and 16-28, contains possibility" to an economicallyestimated recoverable reserves marginal field.

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

cernible upturn in business

The sharp decline in activity

But the a

fresh gloom across some key

areas of British industry as

many companies come to terms

with the likelihood that their

current low levels of output will

have to continue for some

Thursday when the Confedera-

tion of British Industry pub-

lishes its quarterly industrial

trends survey which is likely

to show little, if any, lessening

in the decline of business con-

The survey is expected to

in April that the recession was

confirm the CBI's predictions man-hour.

fidence in most industries.

This will become evident on

any general recovery is casting the

months of deep recession.

tenea out.

months ahead.



totalling 120m-150m harrels of oil and 200hn-400hn cubic feet of gas, according to the stock-brokers, Wood Mackenzie.

Partners in the Andrew venture are: BP; Agip; Century Power and Light: London and Scottish Marine Oil; Petrofina; and Phillips. Andrew is one of the smaller

fields to be considered for development in the North Sea. Mr Roger Bexon, a BP group managing director and chair-man of BP Exploration, told the Energy Select Committee of MPs last week that changes in taxation had reduced the Andrew project from what

BRITISH manufacturing indus- be no forecasts of improvements credence on such figures until

try sees no prospects of a dis-cernible upturn in business These facts will sharpen a are operating under more

earlier in the year has flat- Chancellor of the Exchequer, up by reports from the con-

At the insistence of the TUC.

the National Economic Develop-

ment Office is preparing a criti-

cal analysis of economic per-

formance since the last general

election and has found few facts

The Government is likely to

to produce on the credit side.

argue at the meeting that indi-vidual companies have been

making significant improve-

ments in productivity and this

has been reflected in statistics

showing increases of 1½ to 2½

per cent in output per man or

But industrialists are loath

flattening out. But there will to pin too much long-term have any broader significance.

country's

performance.

mic Development Council next The CBI's survey will reflect

week when Sir Geoffrey Howe, this caution and will be backed

economic

federation's

recovery.

Some

in orders.

activity after more than 18 debate in the National Econo- normal circumstances.

CBI finds few signs

of industrial upturn

The Andrew Field project team has set about redesigning the production system.

BP says that not only has the new Supplementary Petroleum Tax reduced the potential profitability of the field, but changes in the structure of the Petroleum Revenue Tax have forced the company to consider a phased development project. Tax changes in the March Budget this year raised the marginal rate of taxation on North Sea oilfields from 87.4 per cent to 90.2 per cent.

The oil industry has been asked by the Treasury to suggest an alternative tax structure that might replace the present system next summer.

Although Ministers confident that the fiscal policies would not impede exploration and development work, several companies, including the majors like Shell, Esso and BP, have said they were forced to review their offshore programmes.

The Phillips Group has

returned to the drawing board to reassess development proposals for its perplexing complex of fields in the so-called T-block, close to the Andrew discovery.

£100m. The group could spend more than \$3bn (£1.6bn) on exploiting the hundreds of millions of barrels of oil reserves in such Coptinued on Back Page

regional

which will underline the des-

pondency about a lack of

north-west-fear there could be

further redundancies in the

autumn when companies' chief

executives return from holidays

to find there has been no upturn

The slowing down in the rate

of de-stocking has helped some areas, including the West Mid-lands. But companies report

that any restocking is only

seasonal reaction to possible shortages during the holiday

month of August and does not

areas—notably

office

year-olds to stay on. The provisions for training

than proposals considered earlier this summer by Mr part of an emergency jobs pack-James Prior, the Employment Secretary. The possibility of further measures during the recess was not being ruled out The package has not been age to be announced in the During debate on an Oppo-sition censure motion on the Government's social and economic policies the Prime Minister is expected to announce details of the pack-

people appear substantially less

formally approved by Cabinet, though most of the measures have been discussed by senior Cabinet Ministers in the past age, estimated to cost between fortnight. Mrs Thatcher was £700m and £1bn.
The main purpose of the understood to have consulted them further at the weekend. yesterday.

package appears to be to encourage employers to take on The package was described young people at less than the normal wage rates, rather than yesterday as a mixture of pro-posals put forward by Prof. to create new jobs specifically Alan Walters, the Prime Minisfor the young.

The incentives include a mixter's economic adviser, and Mr Prior, and was said to have been ture of exemptions, from National Insurance contribuadopted in the face of some opposition from Treasury Minis-

National John Lloyd writes. Unions' reaction to the Prime Minister's Insurance surcharges, and cash subsidies to be offered to those taking on young people at low announcement is unlikely to be favourable.
The TUC, which launched a

The package is expected to provide for a small increase in full-scale campaign last week the Youth Opportunities Proon youth unemployment in cogramme, in line with the operation with the main youth Government's pledge to find a organisations, believes that job place for all unemployed schoolsubsidies for the young merely leavers by Christmas of the shift a greater burden of unemyear in which they leave school. This would cost up to ployment to older workers.

Mr David Basnett, general secretary of the General and Municipal Workers' Union and It is also expected to allocate about £20m to Industrial Trainchairman of the TUC Economic ing Boards in the next two Committee, said last night: years, and extra money would The fundamental need is for iob creation, and until that happens, these measures are merely a series of sticking plasters which have little effect." Lombard, Page 10

be spent on equipping schools in areas of high youth unemployment to encourage more 16-

London no longer dearest BY ARTHUR SANDLES

BRIDGETOWN Barbados, Abu Dhabi, Paris, Chicago and New York are now the world's five most expensive cities for business visitors.

The latest Financial Times survey of business travel costs suggests exchange rate changes have helped push dollar-based destinations to the top of the expense league countries as Britain and West Germany.

The survey, based on business costs, not tourist rates or local living costs, caused a furore last year when it named London as the city which produced the heaviest travel bills.

The British capital has now slipped well down the expense table as sterling has fallen in value and hotels held or reduced their rates in a bid to woo back lost traffic.

an-index with the rating of 100 the top five: Bridgetown 150.75, Abn Dhabi 143.08, Paris 139.32, Chicago 137.60 and New York 133.41. Re-searchers based their findings on a business traveller who stays in first class hotels, eats meals in good restaurants and drinks both wine and whisky. Such a traveller finds life cheapest in cities like Peking (36.37). Nieosia (45.22) and Belgrade (46.65).

Using London as a base on

Tourist British Authority was delighted, and perhaps relieved, at the loss of the number one spot by London. "We are in no way surprised

at the news," it said yester-day. "Our own research concluded that London is a very good buy and hotel prices are reasonable. Travellers are fast realising this." Details, Page 12

BA losses may force revised financial structure

By Michael Donne,

A MAJOR financial-and per haps also structural-reorganisation of British Airways is likely to become necessary because of the airline's heavy and continuing losses.

The annual report and accounts for 1980-81, to be published on August 7, are expected to show a loss of at least £120m.

In the first four months of the current financial months of April 1, at least another £20m has been lost because of the air traffic controllers' dispute, which has forced cancellation of more than 1,500 flights, and the continued depression in world air transport markets.

The alrline's cumulative losses for the past 16 months, therefore, are now at least £140m, with no sign of any improvement in the situation.

Sir John King, the chairman, has had to concentrate in recent weeks on seeking a Government agreement to some form of financial reorganisation. This will probably include writing off the losses and putting new public dividend capital into the airline.

This is essential to restore profitability, which is regarded as vital for any long-term sale. of the airline's shares to private investors — still the Con-servative Government's longterm ambition.

As the price for any financial

reconstruction, the Government will probably insist on some organisational changes in the airline. In recent months, the airline

has been selling some of its assets and it has also pruned its staff by 6,000 over the past two years to about 52,000.

It has sold some aircraft,

including two Boeing 747s to Malaysian Airlines System, and cut out some uneconomic domestic routes. But the losses have continued;

and it is now becoming clear that sales of assets alone will not fundamentally change the airline's financial position. Reconstruction seems likely

sale to private investors of profitable parts. The main possibility appears

to be to restructure the airline back into two major constituent parts (the old long-haul BOAC and short-haul BEA) in the hope of achieving profitable and more manageable units which would be responsible to "National Air Holdings Board," masterminding long-

term strategy. British Airways: Storm clouds gather, Page 13

Norway in Hambros loan row

BY OUR BANKING CORRESPONDENT When the institute guaranteed

NORWAY is considering freezing any repayment of loans by Hambros Bank to the Norwegian Reksten shipping group until it is clear whether the Statebacked Norwegian Guarantee Institute for Ships and Drilling Rigs, which guaranteed the loans, has a legal claim against Hambros for non-disclosure of information.

Hambros, a leading City merchant bank with strong Scandinavian connections, led a group of 29 banks which lent \$161.5m to the Reksten group when the latter ran into financial difficulties at the depth of the shipping slump in the mid-1970s.

The loans were guaranteed by the institute, established to support Norway's hard-pressed shipping fleet and stop forced sales of ships as banks called in their loans. Since then the Reksten group has been kept affoat by periodic

extensions of these arrange-

the loans to Reksten it was not known that the late Mr Hilmar Reksten, the wealthy Norwegian founder of the group, had substantial funds overseas.

It is understood that the institute might not have guaranteed the loans if it had been aware of the scale of Mr Rek-

sten's overseas assets. The Norwegian Government set up a three-man commission of inquiry in June into the affairs of the Reksten group and of the institute. One aim of the inquiry was to consider whether the institute would be

justified in reneging on its guarantee on the \$161.5m loans. The Government has now confirmed that the institute will honour its loan guarantees to the 29 banks if Reksten proves unable to meet its commitments. However, it has asked the institute to consider the possibility in this event of placing repayment of Hambros'

_in a frozen account. This would be left until the institute had decided whether it had any legal claims on Hambros for not divulging true information about Mr Reksten's assets abroad at the time the guarantees were issued. The institute has asked lawyers to assess whether it has any legal claims on Hambros and report back next month.

Hambros Bank has made little comment so far on its involvement in the Reksten affair. In its last annual report it said that its ability to make any public statement was "limited by its duty to preserve banker's confidentality."

The bank did say that it was satisfied that no provision is necessary in respect of any of the allegations which have been made.'

Mr John Clay, the bank's deputy chairman, said at the weekend that the Governmentappointed committee of inquiry share of the loans-3 per cent had not yet contacted the bank

Chinese dig up silver hoards

ON HIS last visit to China earlier this year, one senior London bullion banker had a hard job explaining to frontier guards why he was carrying a collection of coins across the border from Canton to Hong

The undignified spectacle was one result of the Chinese authorities' attempts to crack down on an epidemic of silver smuggling out of the countrythe first since the Communist takeover in 1949. During the last 18 months.

London dealers estimate that as much as \$200m worth of silver coins have streamed out of China to refining centres in Europe, much of it brought Opium War with Britain in the

from the mainland by small 1840s. fishing boats plying illegal trade with Hong Kong.
Out too has flowed part of
China's history. Many tonnes of
the coins—some of Chinese origin, others minted in places ranging from the U.S. and

Mexico to Vietnam and France -had been buried for years in underground hoards following the post-1949 clamp-down on private ownership of gold and Some of the coins date from

opium between China and the West-the trade that led to the

Always with an eye open for good-looking antiquities, dealers disdainfully describe the coins' conditions as "very dirty."
They go straight to the refinery
to be melted down into ingots. The coins have been attracted out of the ground by a combination of last year's explosion in silver prices and China's boomdemand for ing electronics.

Chinese families have dug up and grandfathers' the early part of the 19th hoards mainly, according to century, when silver was used London dealers, to pay for purto settle commerce in tea and chases of foreign consumer fathers' chases of foreign consumer goods ranging from TVs to pocket calculators. These are Continued on Back Page

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CAPE TOWN

JOHANNESBURG

JOHANNESBURG





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Presidential landslide in Iran for Rajai

By Our Foreign Staff

MR MOHAMMED AL RAJAI has won an inevitable and overwhelming victory in the Iranian presidential election held last Friday to choose a successor to the fugitive Mr Abolhassan Bani-Sadr who was dismissed five weeks ago.

Tehran Radio said yesterday that the official candidate of the ruling Islamic Revolutionary Party, who has been Prime Minister for nearly a year, had obtained 10.89m out of the 12.12m votes from 182 con-stituencies declared by Sunday morning. The results from another 88 were awaited from a total turn-out of some 14m.

A 48-year-old teacher of described by his patron Ayatollah Khomeini as having "more wisdom than knowledge." His emergence as head of state will be the culmination of his political struggle with Mr Bani-Sadr who called on his fellow countrymen to boycott the election.

Trailing far behind Mr Rajai were Mr Abbas Shaybani, formerly Minister of Agriculture and a parliamentary deputy, with 428,021 votes, Mr Ali Akbar Parvaresh, Deputy Speaker of the Majlis, 303:938, and Mr Habibollah by 20 per cent from August 1. Askarouladi, 195,938.

tee, meeting in Gdansk, also linked approval of proposed If the official's figures are to be helleved, the turnout constitutes a success for Ayatollah dominated regime in the face of the attempt by the opposition Mojahedin-e-Khalq left-wing throughout the country over continuing food shortages and the planned price increases. fundamentalist group, to disrupt the election with violence.

According to Tehran Radio. 11 Revolutionary Guards killed in election day incidents were buried yesterday in the capital in a funeral at which crowds chanted "God is Great" and "Death to America." Ayatollah Mohammed Reza Mahdavi-Kani said that 120 people had been arrested on Thursday and

The official Pars news agency reported that the Acting Governor-General of the northern province of Gilan had narrowly escaped an assassination attempt on Saturday night. He was shot in the hand and one of his bodyguards was wounded when gunmen opened fire on his car in the city of



Mr Muldeon . . action

Springboks' visas may be withdrawn

BY DAI HAYWARD IN WELLINGTON

South African rugby team, the takes.

Mr Duncan MacIntyre, the acting Prime Minister, said after a cabinet meeting yester-day that troops would not be called in to deal with demonstrators despite unprecedented scenes of violence during the tour so far.

Mr Robert Muldoon, the Prime Minister, said in Washington that New Zealand government leaders would meet tomorrow to consider what action should

By linking the approval of

the food price increases to the

introduction of radical economic

reforms, the union hopes to raise the issue of independent

under

Until now, the Government

has come out against permitting

workers to appoint managing

directors, a condition the Solidarity national committee

has now voted to insist upon.

However, the union has not

rejected the principle or the

extent of price increases

Rather, it will concentrate on

the extent to which its members

are to be compensated for the

drop in their standard of living. Solidarity is ready to hold a

referendum throughout the

union to gauge workers' views.

One point of relief for the

Government, following the

weekend meeting which will no

doubt open a period of stormy polemic between the union and

the authorities, is the national

committee decision reaffirming a

pledge not to press any wage demands until the end of the

The union leadership has also

workers'

enterprises

control.

proposed.

Solidarity threatens

protest strikes over

cut in meat ration

BY CHRISTOPHER BOBINSKI IN WARSAW

THE SOLIDARITY indepen-

dent trade union yesterday threatened "protest actions in-

cluding strikes" unless the Polish Government rescinded

its decision to cut meat rations

The union's national commit-

food price increases of up to

400 per cent to the introduction

Solidarity's militant stance

reflects the general anger

The long-established trade

unions have also come out

against the Government's deci-

sion to cut meat rations, an-

nounced on Thursday, which

follows a drop in meat supplies

from farmers and shortages of

hard currency to pay for

Next week, women in Lodz, Poland's second largest city, are

planning a protest march and

truck and bus drivers also plan

demonstrations against the food

Talks on rationing with the

Government are to be held

today and Solidarity has hinted

that it is ready to ask "inter-

national organisations and foreign trade unions for special

This announcement appears as a matter of record only

CEBRACE

COMPANHIA BRASILEIRA DE CRISTAL

A JOINT VENTURE OF THE SAINT-GOBAIN AND

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U.S. \$ 140,000,000

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credits" for food imports.

imports.

shortages.

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CREDIT LYONNAIS

BANQUE DE L'INDOCHINE ET DE SUEZ

MIDLAND BANK LIMITED

CREDIT INDUSTRIEL ET COMMERCIAL

of radical economic reforms.

ment on the legality of with- off, but would decide on "what drawing visas from the touring if any, action the government

Following top-level talks yesterday in Wellington between the government, the police and the rugby union, Mr MacIntyre said the decision to call off the tour would rest with the rugby union. If it did not cancel the tour,

however, the decision would devolve to the Government and become its responsibility, said Mr MacIntyre. On Saturday, 2,000 anti-tour

protesters marched on Hamilton rugby ground, Walkato, where the Springboks were to play.

U.S. Navy

world peace'

THE .S. NAVY presents a grow-

ing threat to world peace, Admiral Sergei Gorshkov, Com-

mander-in-Chief of the Soviet

Admiral Gorshkov, in

Pravda Navy Day article, said that today's military and strate-

an increasingly aggressive and massive presence of U.S. naval

forces in various parts of the

world." He said that the U.S.

performs the functions of "policemen" cutting pressure on governments unwelcome to

The U.S. has consistently pur-

sued an aggressive policy, he

said, in such places as Korea, Indochina, Egypt, Lebanon and the Middle East. "All this is

indicative of the growing U.S.

threat from the direction of the

Admiral Goshkov, like President Leonid Brezhnev and

almost all Soviet public

speakers over the last few

months, called for arms talks

without preconditions, and on a basis of equality, to limit

Reuter reports from Paris: M

Claude Cheysson, the French Foreign Minister, said negotia-

tions for the withdrawal of

Soviet SS-20 missiles targeted

June 1981

seas." he said.

nuclear missiles.

told its members it is to hold a | on Western Europe could begin

review of all agreements signed only after a firm decision to

between the Government and counter them with the deploy-

the workers since last summer. ment of new U.S. missiles,

gic balance was marked

'threat to

By Our Foreign Staff

Navy, said yesterday.

NEW ZEALAND'S Attorney not simply be deciding whether trucks and double-decker lorries General is to advise the Govern- or not the tour would be called and hundreds of police, 400-502 protesters found a weak spot in the security fence, tore it down and streamed on to the ground. They defied police efforts to move them until, after more than an hour, police called the match off.

> Squads of riot police, who had never been seeen in such force in New Zealand, took up a position in Waikato between the rugby spectators and the protesters. They were not used to shift the demonstrators, nor did they use baton charges.

Scores of minor injuries were caused in scuffles, and missiles rained on to the pro-Speaking on a visit to the Despite massive security, testers from rugby fans angry U.S., he said the meeting would extra fences, a barricade of that the match was abandoned.

taken control of the protest movement. Some people now On Friday the governing believe that the Government National Party holds its annual may use the disturbances and conference, in Wellington, and protests as a reason for calling anti-apartheid groups have the November general election announced plans to disrupt the early-on the issue of law and

Springboks' scheduled match is on Wednesday in the provincial town of New Plymouth, Next Saturday, however-if the tour is still on —the Springboks play at Palmerston North, a large university town only 90 miles from Wellington.

Anti-tour groups have promised a massive turnout of could seize this opportunity to demonstrators from all over the appeal to voters.

Mr MacIntyre said last night country and an even bigger that extreme elements had protest than was mounted in protest than was mounted in Hamilton.

> proceedings. Mob scenes and violence at the conference would give Mr Muldoon-who will then be back in New Zealand an excuse to go to the country on a law and order platform.

The National Party regained some lost ground last February as a result of the Government's firm handling of industrial problems, but this has again been eroded and Mr. Muldoon

Gas pipeline argument challenged

THE wisdom of the Reagan Administration's strong opposi-tion to the proposed 3.000-mile Yamburg gas pipeline between Siberia and Western Europe has been questioned in a new study by the Washington-based research institute Wharton Econometric Forecasting Associates.

According to the study, Soviet gas exports to Western Europe and Japan could rise to 92.4bn cubic metres by 1990 if the DM 20bn (f4bn) pipeline is built, compared with 24.5bn cubic metres last year. Construction of the pipeline would have a major effect on Soviet hard currency earnings. Soviet gas exports to the industrialised West in 1979 were worth \$1.5bn, or 11 per cent of export earnings. But this share could rise to between 35-40 per cent by 1990 with the proposed pipe-

line. Gas would thus replace oil as the Soviet Union's most important single source of hard

The share of Soviet oil, coal, coke and electricity exports would fall from the present 58 alternative per cent of hard currency earn-increased

SOVIET EXPORTS OF NATURAL GAS To E. Europe and Total - 24.1 123 31.7 20.0 31.7. 23.0 24.5 47.5 32.1 245 40.0/44.0 84.0/88.0 170.0/150.0 57.6 524/924

Source: Wherton Econometric Forecasting Associa

ings to the 35-40 per cent range. The study argues that the Soviet Union would be forced to find alternative ways of earning hard currency if the pipe-line does not go ahead and that this could pose more problems for the West than the risk implicit in increased West European dependence on Soviet

Failure to build the pipeline would lead to higher natural gas, oil and coal prices from. suppliers, competition

Soviet and East European chemical and energy intensive industries base on diverted Soviet gas.

It would also increase West European dependence on Opec suppliers. At the same time, lower Soviet hard currency earnings would reduce the potential Soviet market for Western exports and probably lead to increased competition in the Soviet market from Japan which is increasing its Soviet and gas imports and participating in from joint gas and oil development.

Spain 'fighting a dirty war'

BY OUR MADRID CORRESPONDENT

GENERAL Manuel Fernandez Posse, a senior Spanish general, chose the official weekend ceremonies marking the saint day of the parton saint of Spain to make the most outspoken attack on democracy since the abortive military coup in February. Gen Fernandez Posse, who is captain general of the Eighth Military Region covering the north-western province of Galicia, said Spain was facing a dirty and subversive war in which the enem yhad infil-trated the Press, the church and the universities.

Gen Fernandez Posse, who is considered a hardliner in the military hierarchy, called

on Spaniards to respect the memory of the late Gen Franco because, he said, "great and noble nations always remember the heroes that have forged them.".

The speech was made at the cathedral of Santlago in Compostella as part of the festivities marking the day of St James. Technically the speech, traditionally given by the senior officer present, is made in the name of the king but it was unclear whether it had been officially sanctioned by King Juan Carles.

Gen Fernandez Posse said: "Spain faces total war, a special, subversive and dirty

war, but a war none the less." He said the "tenacious enemy" of Spain had infiltrated the media and the arts to promote "pornography, drugs and abortion ... ridicule the Pope and the church . . divide the army . . attack the Spanish flag . . .

poison the soldiers . . . and destroy the family unit." Such global criticisms often formed the backbone of Franquista diatribes but they have not been expressed with such venom in recent months, nor

finalised. on key public occasions as Saturday's. Gen Fernandez Posse likened present western civilisation to the decay of imperial Rome,

Tom Burns reports on dissent in the Communist Party

Old guard under attack

SR SANTIAGO CARRILLO, the veteran chief of the Spanish Communists, appears assured of of the party at its 10th congress starting tomorrow. But at best it will be a Pyrrhie victory that will leave long-time party stalwarts by the wayside and un-doubtedly loosen his present iron grip on an organisation he has dominated for close on 30 years.

Weli - lubricated machinery will keep the revolt from the rank-and-file within permissible limits. But by the end of the four-day gathering in Madrid few among the leadership doubt that the rifts will be painfully obvious.

An unprecedented ferment in the run-up to the national congress was evident in the pro-vincial branch meetings to elect delegates. The indications were that Sr Carrillo's enthusiastic espousal in the early seventies Eurocommunism socialism with a human face could well have turned him into a sorcerer's apprentice.

The problem for Sr Carrillo is one of being trapped in the party's middle ground by those who say he has gone too far Moscow and, more importantly, by those who claim he has not gone far cnough. But behind each accusation is the fact that he has simply not managed to build the Communist Party into the Leftwing alternative in Spain.

emerged forcefully in a pre-congress meeting of the powerful Madrid branch which groups the majority of the party's Communist federation is facing Sr Carrillo is expected to younger intelligentsia. One a split as significant numbers advocate a reduction of prominent critical delegate went as far as to say he preferred to

of Eastern Europe. "Such statements are in-admissible." countered a clearly angered Sr Carrillo as he included a rebuttal of the critic in his wind-up speech to the



Sr Carrillo and La Pasionaria . party veterans since the civil war



leadership, was one hurdle. Another, from the other end of the spectrum, was the semiautonomous Catalan federation, the Partit Socialist Unificat de Catalunya, where for most of this year, the hardline propain. Soviets, better known in Spain Open criticism and backbiting as the Afghans, were preeminent.

To make matters more complicated for Sr Carrillo the Basque of militants are turning towards live under General Franco's nationalist groups and are dictatorship than under those increasingly uncomfortable increasingly · · uncomfortable under the party's contralist

umbrella, Such attacks, deviations and a threatened splits have in the short term served to buttress own position is expected to Sr Carrillo, 66, as the wise man group some 25 per cent of the

that the veteran political operator has tacitly been encouraging, more than one of the dissident currents. But to most Spaniards the party, once the vanguard of the resistance to Francoism, appears divided and lacking in direction.

Over the past year the public image of the Spanish Communist Party has been sapped by the defection of several of its most notable spokesmen, the best known among them being best known among them being Sr Ramon Tamames, a professor of economics at Madrid University who was Deputy Mayor of Madrid until he left the party last April.

Sr Tamames is representative of the middle class intellectuals and professional people who joined the party as students during the sixties and form the hard core of the renovated Eurocommunists Eurocommunists currently Hartley, Zimbabwe, questioning the old guard Mr Mugabe, who leadership.

The dispute centres not so much on the ideological framework of Eurocommunism as on its translation into greater internal democracy and, especially, into an end to the domination of veteran party bureaucrats who spent the greater part of the Francoist period in Eastern Europe. Alone

Alone among Spanish political parties the Communists retain a leadership that dates back to the Spanish civil war. Dolores Ibarruri, La

members on the Central Coman alliance with Left-wing mittee at the congress from the nationalist groups and are present 160 to 100. Such a move would enable him to meet in part the demand for renewal by leaving out of the leadership

proportion of voterans.

The direct questioning of his meeting.

Madrid, the intellectual centre of the so-called renovated Eurocommunists who directly attack what they term a Stalinist preserve party unity. Taken to renovated Eurocommunists and perhaps as many as 10 per cent of the of the congress who follow the party congress, a situation that

Troops to stay in independent Belize

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By David Tonge

BELIZE Britain's last colony on the American mainland, will become independent on September 22, the Foreign Office said yesterday.

However, Guatemala's continuing claims for certain rights in Belize mean that Britain will leave troops there for an appropriate period"; it has ,600 soldiers stationed in the tiny Central American state. Britain is expected to

approach the U.S., which has strong links with the Guatemalan dictatorship, Canada and Commonwealth Caribbean countries, to provide security guarantees to Belize. The problem of protecting

Belize against Guatemalan claims has long delayed Britain granting independence. Guate-mala's constitution ensurines the country's claim to its neighbour, but last week President Fernando Romeo Lucas Garcia Fernando Romeo Lucas Garcia szid: "We would never invade Belize" He said a so so "would bring upan as the revenge of the world." In Belize, oppositely dialms that the government of Prime Minister George Price was selling out," have led to riots emong the population of 150,000.

Though Guatemala has dropped its territorial claims, it continues to claim access through Belize to the Caribbean.

Negotiations between Britain and Guatemala over these rights of access ended on July 10 without agreement. The main sticking point appears to be Guatemalan demands for naval rights perhaps involving bases, on the Sapodilla island off Belize. Earlier this year, Belize

greed that Guatemala should have transit-rights through its territory.

Schmidt seeks budget plan support Chancellor Helmut Schmidt of

West Germany met the leader-ship of his Social Democratic Party (SPD) yesterday in a bid to swing the party behind plans for a tough austerity budet in Reuter reports from Bonn

Herr Schmidt attended an all-day joint session of the SPD's national executive, parliamentary leadership and budget to cut DM 20on (£4bn) from public spending were being

He was last night meeting Herr Heinz-Oskar Vetter, trade union confederation chairman. and the leaders of the country's biggest unions to seek their backing for what are likely to be severe cuts in social spend-

Zimbabwe imposes

rail embargo

Zimbabwe has imposed an embargo on all rail traffic from South Africa, except fuel and explosives, and transit traffic for neighbouring countries, because of congestion, our Salishury Correspondent writes.

National Railways of Zimbabwe said there had been "an exceptionally large accumula-tion" of traffic. The organisation has been hit badly by a shortage of railway workers—aggravated by white emigration which has resulted in about half the diesel locomotive fleet being off the rails at any one

Mugabe to expel dissident ministers'

Mr Robert Mugabe, Zimbabwe's prime minister, vowed to expel dissident cabinet ministers or parliamentarians who criticised his 15-month black socialist Government, AP reports from Hartley Timbahara

Mr Mugabe, who is also president of the dominant Zimbabwe African National Union (Patriotic Front) Party, hinted publicly for the first time since independence last year that top officials of his own party might be among the critics.

Reagan doubt on CIA director

President Ronald Reagan of the U.S., believes that William J. Casey, the CIA director, ought to remain in the job if his only Pasionaria, is party President fault was poor judgment in and Sr Carrillo, Secretary choosing Max Hugel for the General since 1959, was already sensitive job of spymaster, the member of the Politburo in White House said yesterday, AP

reports from Washington.
Mr David Gergen, Presiden tial spokesman said if there were other findings against the embattled CIA director—such as evidence of wrong-doing in his past financial dealings. Mr Reagan would have to review the

FINANCIAL TIMES. York, N.X., and at additional



Arranged by

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BANQUE NORDIQUE

U.S. 'not ready to lift import tariff on Japanese trucks'

BY BRIJ KHINDARIA IN GENEVA

THE U.S. has told Japan that it cannot immediately reduce a 25 per cent import tariff placed by the U.S. last year on Japanese-made light trucks and

Formal talks between the two, which ended in Geneva on Friday, failed to produce the breakthrough that the Japanese are seeking to protect their \$1.5bn (£790m) worth of exports to the U.S. of such vehicles.

No quick end seems in sight to the fall in sales to the U.S. which have slipped at an annual rate of 20 per cent since this

Japan sold 513,000 lightweight trucks and vans to U.S. customers last year. So far this year, after imposition of the new tariff, U.S. imports have totalled only 30,000 a month-an annual rate of 360,000.

Such a drop would take Japan back to a level near the 314,000 vehicles sold in 1973 when it had just begun to enter the U.S. market. Since that year, exports rose steadily, reaching 400,000 in 1978 and 434,000 in 1979.

Japan says the new tariff violates the General Agreement on Tariffs and Trade (Gatt) because the U.S. pledged in the 1963 Kennedy Round negotiations to place a tariff no higher than 8.5 per cent on light trucks

Until the tariff increase, importers from Japan paid only 4 per cent because each vehicle was bought in two sections—the chassis and the body. Under a U.S. customs regulation each section was classified as a spare part making it liable to a 4

per cent tariff.

But in August last year, the
U.S. customs administration reclassified the chassis as a finished product closing the loophole used by importers. For example, the two sections of one van made by Toyota, the most

popular exporter, could be put together with only four bolts. In September, Japan notified Gatt that it was starting talks with the U.S. as a first step in settling its dispute. The notification was meant to alert other Gatt members that Japan saw the U.S. action as a violation of its rights under that agreement.

The U.S. told Japan on Friday that it cannot alter its new customs classification. It said the Kennedy Round pledge was made when Japanese chassis exports did not exist. A chassis constitutes a new product for U.S. customs purposes and is not covered by commitments made to Gatt.

Japan suspects that the reclassification was a deliberate aftempt to protect U.S. industry circumventing Gatt's arti-protectionist

Matsushita court action on TV dumping decision

TOKYO - Matsushita Electric in the U.S. in violation of inter-Industrial said it will file a national trade laws, It ruled 3-1 suit against the U.S. Govern- against a request by Matsushita ment after an International and other Japanese TV manufac-Trade Commission (ITC) ruling turers to lift a-dumping finding that Matsushita had been dump- imposed 10 years ago which se ing colour television sets in the quotas on the number of TV

Matsushita, Japanese electric appliance con- tion by the Japanese that they cern, notified the U.S. Court of are no longer dumping.

International Trade of its Matsushita said it wil the court. The suit will be filed within a month after necessary papers are submitted to the

Japanese relevision makers con- lifted. tinue to "dump" their products. Reuter-

sets exported to the U.S. The leading Commission rejected a conten-

Matsushita said it will appeal decision to bring the case before to the Court that the June 4 ruling was based on speculation. The ITC, he said, rejected the Japanese request on the grounds Court, a Matsushita official said. that the U.S. television industry The ITC-ruled on June 4 that would suffer if quotas were

THE EVOLVING U.S. TRADE POLICY

America acts to lift its export barriers

THE REAGAN Administration. its flag bung on the mast of free trade, is facing the problems of matching actions to policy, not only in providing the framework for an aggressive expansion of U.S. exports, but also in resisting domestic protectionist pressure.

A key element of policy is to remove internal barriers to exporting. Three measures on which the Administration sets importance are caught up in the Congress.

A Bill to ease the formation and working of export trading April.

companies, which could help up to 25,000 companies into overseas markets, has reached the same stage as it did in 1980. It passed through the Senate in April, but has since stalled in the Judiciary Committee of the House of Representatives.

The two main elements are provisions for anti-trust immunity for specified selling activity abroad and permission for banks to hold equity in trading companies. According to Mr William Brock, the U.S. Trade Representative, passage of the Bill is "a first step towards developing a positive national export policy."

The Administration is throw-

ing its weight behind a move to amend the Foreign Corrupt Practices Act, passed unanimously by Congress in 1977 to eliminate overseas bribery. The amendments seek afresh to define bribery, match overseas bribery law with domestic bribery law and, if the Administration has its way, remove the Act's bookkeeping and account-

ing requirements. expected in the Senate at the end of August. Senate approval

SHIPPING REPORT

is expected, but the prospects in the House remain uncertain. The question of taxing expatriates has been debated for some years. The Administra-tion wants a change in the unique U.S. practice of taxing income earned abroad on the basis of citizenship rather than residency.

Foreign earned income of U.S. citizens residing overseas for 17 out of 18 months must be exempted from U.S. taxation if we are to remain export competitive," Mr Brock said last

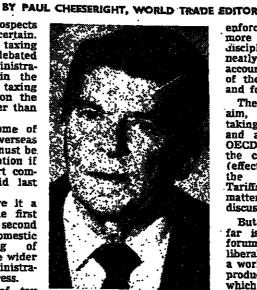
The Senate has before it a proposal to exclude the first \$50,000 and half of the second \$50,000 of income from domestic taxation. The taxing of expatriates is part of the wider tax bill which the Administration is urging on Congress. The same is true of tax

credits for research and development and a speeding of depreciation, both measures which would indirectly help exporters.

These domestic moves find their diplomatic parallel in the effort, both bilateral and multilateral, to maintain and improve acress to the overseas markets Thus there is considerable

pressure from the Administration to open wider the Japanese market, which last year took 9.4 per cent of U.S. exports. The pressure is widely It runs from agriculture.

where Mr Brock is seeking the removal of quantitative restrictions on beef and citrus products, to high technology items like semi-conductors, Voting on the amendments is where Japan has offered accelerated tariff reduction to



Reagan's Administration champions free trade

Similar demands, reflecting exporting strengths, will be levelled at other trading partners. "We will insist that our trading partners live up to the spirit and the letter of international trade agreements, and that they recognise that trade is a two-way street," declared the statement on U.S. trade policy offered to Congress earlier this month.

is a question monitoring and enforcement of agreements already in place. But the most striking initiative taken by the Administration so far is the attempt to generate momentum for an international code in services.

Although there is an OECD code on services, it has no

enforcement procedures. A Government. We will strongly more rigid form of trading resist protectionist pressures," the trade policy statement said. What this means in practice account for nearly 66 per cent of the gross national product and for 41 per cent of exports.

The U.S. has specified the aim, encouraged the undertaking of studies into the vague and amorphous sector within OECD, launched the idea within the consultative group of 18 (effectively a steering group) at the General Agreement of Tariffs and Trade and raised the matter in numerous bilateral

But what it has failed to do so far is decide itself the best forum for future discussions on liberalising services or to devise a work programme which could produce the information on which any later negotiation might be based.

This means that the U.S. initiative at this stage lacks a definite focus. But the rhetoric of open trade in services nonetheless has a useful domestic function. The Administration needs to be seen by the Congress as working to open up new markets as a counterbalance to pressures.

Congressional specialists note that the les protection industries feel they can receive from the White House, the more they will turn to Congress. The Administration has committed has been increasingly threatitself, with qualifications to ened. European companies permit the adjustment of have been finding that they can threatened industries, to main- sell at less than the trigger tain open U.S. markets.

"We should be prepared to accept the competitive chal- the Administration handles this lenge, and strongly oppose trade situation should become clear distorting

is difficult to determine. The Administration's approach to

imports has been less cohesive, largely a question of meeting problems as they have arisen, than its approach to exporting. It has lifted restrictions on footwear from South Korea and Taiwan, going further than the International Trade Commission

recommended. But it has adopted a stance in the international Multifibre Arrangement (MFA) talks which ultimately is no better disposed to a higher volume of imports from developing countries than that of the EEC. The logic of its general posi-tion would suggest that the

Administration should liberalise access to its own food products market. It has not so far done this and there appear to be no initiatives for doing so in the pipeline. But it has fended off demands for cutting back on casein, a widely used milk byproduct.

The next crucial test of the Administration's attitude will protectionist probably come in the steel sector. The U.S. industry has become increasingly nervous as high interest rates and the bigh level of the dollar bave led to an increase in imports.

The trigger price mechanism price without selling at less than a fair value for the steel. How by in the next month.

Warning on EEC textiles protection

textile industry cannot be pro-tected against cheap foreign imports forever and must make every effort to become compelitive, a European Com-

mission report says. The Common Market's cloth and clothing industries face falling employment, flagging demand, stagnating produgtion and low profits, the Commission said in an analysis delivered to the EEC economic council.

But textiles, which account for one in ten of Europe's manufacturing jobs, must remain an integral part of EEC industry, it added. This can be achieved by modernising machinery, boosting productivity and lowering all barriers to free trade between member countries. member countries.

Companies must operate on a single market, the commission said, pointing to a large market which works in this way, the U.S.

At the same time, massive retraining programmes should be launched for workers forced out of jobs by more productive textile companies, as company closures in this sector hit areas with aiready high unemployment par-ticularly hard.

Imports into the EEC more than doubled over the last decade, the report notes. Part of the flood came from the U.S., but a large share came from Third World producers, and EEC manufacturers are straining to compete with the products of cheap labour available there.

Spanish credit for Dumai plant

JAKARTA—Spain has agreed to provide Indonesia with a \$1bn credit for construction of a hydrocracker project in Dumai, central Sumatra.

The plant, costing slightly over \$1bn, will crack 85,000 barrels daily of low-sulphur waxy residue into 72,900 barrels of middle and lighter

The agreement was signed by Banco Exterior of Spain and the Indonesian Finance

Weak charter rates continue

for shipowners, and last week charterers rather than owners, brought little relief or improve- the main emphasis being on ment in the low level of charter- liftings from Saudi Arabia with

According to Denholm Coates. "the dry cargo scene looks uniformly depressed." For all sizes and types of ships, cargo is short and tonnage in surplus. with rates at their lowest for years.

Conditions on the tanker mar-

THESE ARE frustrating times ket also continued to favour tinue to trade their ships at the Aramco (Arabian American like normality. Oil Company) again to the fore.

> E. A. Gibson reported that the market had slipped back to Worldscale 23; from Worldscale 271 for a 210,000-ton vessel to the West for July loading.

these levels is incompre-hensible," it said. Without more ships being laid up, the market could not return to anything Emphasising the slackness in the tanker market, H. P. Drewry said 21 tankers totalling 1.7m

dwt were reported as sold for scrap in June. The amount of tonnage laid up or inactive for at least two months rose by 3.6m

World Economic Indicators

INDUSTRIAL PRODUCTION Change over

					previous year	Index base
	June '81	May '81	Apr. '81	june 80	. %	year
US,	152.7	152.1	152.3	141.0	8.3	1967=10
	May '81	Apr. '81	Mar. '81	May '80		
Japan	142.7	145.0	144.6	143.0	-0.2	1975=100
W. Germanys	121.7	116.1	116.4	121.9	0.2	1975=10
UK	98.7 Apr. '81	100.5 Mar, '81	100.2 Feb. '81	107.3 Apr. '80	3.8 —	1975=10
France	109.4	110.5	108.2	113.5	-3.6	1975==10
Italy	126.7	126.6	125.9	134.T	-5.5	1975=10
Netherlands	110.0 Mar. '87	110.0 Feb. '81	113.0 Jan. '81	113.0 Mar. '80	-2.7	1975=10
Belgium	112.5	1129	116.5	121.8	-7.6	1975== 10

Some people take the better part of their work home with them.

One of the joys of Opel executive cars is that they're perfect for motoring anytime. They are German engineering at its best. The Rekord range gives you the best of both worlds - value and comfort. Deep pile carpeting and velour upholstery on the Berlina models give them that added luxury. Because it's designed as a 2.0 litre car around a 2.0 litre engine you get better handling and performance.

With diesel options for even greater economy. This distinctive range covers 4 saloons and 3 estates. From £6,360 up to £8,117 for the Rekord Berlina CD.

The Commodore is spacious and stylish. Two models from only £8,566 give you the kind of comfort you'd only expect in cars costing much more. The Berlina CD model, for example, has power steering, electric windows, sunroof and central door locking. And the six cylinder 2.5 litre engine delivers the

REKORD



for a test drive. The integration of Vauxhall and Opel dealers means we now have a comprehensive; nationwide network of showrooms.

And, all our products of course, come with reliability as standard.



PRICES CORRECT AT TIME OF GOING TO PRESS INCLUDE SEAT BELTS, CAR TAX AND VAT. DELIVERY AND NU

MORE THAN 100 joint fran- outlets are expected to disthe scheme to merge the Talbot anisation, leaving a combined and Peugeot dealer networks in network of 650 to 700 dealer-

head of the new joint marketing announced late last year. team, says he expects the target

However, between 50 and 100

"We have got to lose some, of 150 joint franchises by the end of 1981 to be "well are the ones who lack the exceeded." ability or the resources to take on the extra franchise, but so

far, there have not been many to gain. Peugeot's UK sales dealers are less. While the mobiles of Croydon, and chair. Talbot has not put them under tion for sole Peugeot or Talbot. losses," said Mr Paradise. Despite the enthusiastic terms Mr Paradise uses to suggest that the merger is working to create

"one of the most forceful and operating within the European pear's first half they far out-businesses.

The Talbot The slump in the new car the move has not met with unalloyed joy, particularly by

the past two years from nearly 38,000 in 1979 to 24,333 last year and 9,329 in the first half of 1981. Talbot sales have also range should give Peugeot market and high interest rates dealers the opportunity to gen-

have dropped dramatically in large group operations which effective franchise networks fallen, but at 41,671 in this have been built up as family

> "have played havor" with them, according to Mr John Taylor,

man of his area Peugeot dealers

are family businesses they are distinctly undercapitalised. It's a very big step and they need time and help to make it," he

However, most dealers say that Talbot is going out of its

anxious not to carry out the integration "by imposition."

Every dealer is aware, says Mr Taylor, "that there will be go with Talbot, or not at all." Talbot has said, however, that

Peugeot Automobiles UK will remain as a subsidiary of Talbot

Motor Company until January next year, after which it will be absorbed within Talbot.

Mr Henri Hassid, Peugeot's UK managing director, is expected to take up an appointment elsewhere within the parent

Worries over tyre dangers

THE DEPARTMENT Transport has been urged by the National Tyre Distributor's Association to stiffen legislation governing mini-mum tread depths of motor vehicle tyres.

The move follows a one

week survey of the condition of car tyres being replaced at 1,316 NTDA depots. Of 121,447 tyres removed, says the association, some 60,000 were worn below the legal limit of 1mm depth across 75 per cent of the width But a further 36,000 were described by the NTDA as "legal but lethal"—in that a

quarter of each tyre was bald. The association is pressing for a new minimum of 1.6mm across the full width of the tread, astandard adopted in the U.S., Japan. Sweden and Austria. The suggested new minimum "is the lowest possible margin compatible with adequate road holding and ...safety, especially in slippery conditions." he NTDA asserts.

chises have been set up under appear as a result of the reorgships out of the 200 Peugeot Mr Filmar Paradise, Talbot's and 550 Talbot outlets existing assistant managing director and at the time the merger was

Peugeot dealers have the most

erate higher sales volumes. The attractions for Talbot

run many Talbot franchises are quickly picking up Peugeot's, Peugeot dealers are looking very hard before leaving, as many

managing director of DP Auto-

way to be helpful. They say

a time when the pressures have to build up. He knows that if doesn't reach a conclusion will be a case of having to there is room in the organisa-

Peugeot organisation. New Metro may

take MG name BL WILL introduce a higherformance version of the Metro next year and may use the MG name on it. MG's name was threatened with extinction when the MG plant at Abingdon was closed last

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Dairy produs Sugar, tea, c Bread, flour Preserves and Sauces and Canned good Frozen food:

Meat, bacon, Fruit and ve

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"This is absolutely consistent with MG's history. Its saloons for the past 20 years have been high-performance versions of Austin Morris cars," a BL spokesman insisted yesterday

The MG 1300 saloon was hased on the Austin-Morris 1100-1300 range; the MG Magnette was a version of the Austin Cambridge / Morris Oxford saloons and the MG Magnette ZA and ZB cars were based on the Wolseley 440 saloons, he said.

Nissan's U.S. project may be blueprint for British venture

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

how Nissan of Japan would operate if it goes ahead with its UK car plant have been given in Michigan by Mr Marvin Runyon, president and chief executive of Nissan Motor Manu-

facturing Corporation.

His company is setting up Nissan's light truck plant in Tennessee. The similarities with the British plans are con-Both plants, if the UK scheme

goes ahead, will be on 800-acre sites. Both would produce roughly 200,000 vehicles a year at first, when fully on stream. and the total investment in each case is forecast at \$500m.

On the question of local content, Mr Runyon said the Tennessee plant aims to use 38 per cent of U.S. components at first and then "go as high as possible, as fast as possible." Nissan had put no pressure on its American subsidiary to take a minimum percentage of Japanese parts. However, he agreed that it

Stockbrokers Grieveson, Grant

also expect a rebound to \$2 as

U.S. interest rates fall. Another

In an optimistic assessment of the inflation outlook, stock-brokers Wood, Mackenzie fore-

cast that the annual rate of

retail price rises will fall gradually to a low point of

about 9 per cent next spring. The firm forecasts a rise later

in 1982 to a rate of 10 to 11

The present rate is just over

11 per cent, and most City com-

mentators expect little change

-or even an increase-in the

against a ruling by the Guernsey

Queen in her role as Duke of Normandy to expedite the Privy

Council hearing so that their

cases in Guernsey can go

went into liquidation in 1978

The ban on cold or non-explosive harpooning will be

Conservationists have opposed

in this way sometimes take

that an explosive weapon used

British Fisheries Minister Mr

"However, I am glad that it

Leader comment, Page 12

REDEMPTION NOTICE

Electricity Supply Commission

Guaranteed Floating Rate Notes due 1982

NOTICE IS HEREBY GIVEN that \$1,834,000 principal amount of Notes will be redeemed on August 15, 1931 in accordance with Section 5(c) of the Note at the option of the holders thereof, at a redemption price equal to the principal amount being redeemed together with interest accrued

After the above optional redemption on August 15, 1931, the total outstanding of this issue is

introduced next year.

Barnett Christie (Finance)

per cent at the year end.

to \$2 range.

in sterling."

would be difficult to reach more suppliers, who believe Nissan cent "as soon as possible." than 50 per cent, because it made no sense to install engine, transmission or rear axle manu-

BY JOHN GRIFFITHS

A VEIL remained over the

progress of Nissan's proposed

£300m UK car manufacturing

plant after the Industry De-

partment had completed a

further three days of talks

with the Nissan team from Tokyo at the weekend.

The department says further talks will be held "later this year," effectively

confirming that no decision is

likely to be announced before

will not be able to justify an engine manufacturing—as distinct from assembly-operation

mid-September when Mr

Takashi Ishihara, Nissan's president, is expected to visit

Last week's talks took place amid strong campaigning by the UK motor industry to ensure that Nissan is not encouraged to set up the plant without a high level of local components.

The Society of Motor Manufacturers and Traders has

facturers and Traders has argued that at least 80 per

Last week's talks took place

Speaking during the Auto-motive News world congress, Mr Runyon said his company facturing facilities unless in Britain, and wonder how was already experiencing some 500,000 a year would be made Nissan will meet the 60 per difficulty finding U.S. suppliers and these items would all be cent local content it has pro- of the 450 parts he wanted, imported from Japan.

Similar views are held by UK which should progress to 80 per would not start until January

cent of components should be

UK or European sourced. Ford has argued that in job

terms, even with a high local

components level, the project would just break even, while

50,000 jobs could be lost if Nissan was freely allowed to import parts from Japan.

However, Nissan does appear to have been talking

seriously to UK suppliers.

inquiries related to turning

The Nissan plant in the U.S. will employ 2,200, when it reaches full output compared with the 4,000 to 5,000 which Nissan says it will need in the UK. But the British plant will

Secrecy surrounds proposed £300m car plant

and steel pressings, as well as components, while the British Steel Corporation is understood to have started negotiations on sheet steel Teams from at least three major components makers are

equipment, heavy forgings

currently in Japan discussing possible supplies, and, as one manufacturer said "looking at the standards being set out \$149m of equipment would be bought in Japan-including 90 of the robots from Nissan and The choice of Mr Runyon by Nissan might provide some indication of the man it is looking for to run the British project. He is a Texan, who during 37 years with Ford was respon-

sible for the launch of eight

plant "would be more highly

automated than any Nissan plant in Japan," using, for

example, 145 robots, Some

new plants. Nissan insisted on having an all-American management, but Mr Runyon asked for-and got -five Japanese directors to help out in the quality control and design departments.

from bottom to top.

"MG died because it had He said he will adopt as many Japanese practices as possibleoutlived the saloons from teamwork and the inter-action which it drew common com-"We are going to involve all our employees in planning and decision-making by consensus." be pleased about the prospect of the marque being revised

City expects sterling to return to \$2

BY DAVID MARSH

STERLING IS likely to rise again to the \$2 level from this U.S. interest rates decline, according to reports on the exchange rate from City fore-

Stockbrokers James Capel expect the pound to recover the \$2 level during the next two or three months. Sterling could be boosted by a further tightening of UK money market rates once the delayed payment of £5bn in taxes—held up by the civil servants' dispute—tightens the

In the long run, the outlook for sterling is "worrying." the firm says. Partly because of pressure on the Government to policies look likely to be eased through the launch of job creation measures.

This could "unnerve" the foreign exchange market, Capel next six months.

Queen to expedite a case that

£80,000 damages on the grounds

that they failed to make publicly known that the company

Barnett Christie (Finance) had

At least 20 other depositors

At its annual conference in

to phase out the use of the non-

killings of sperm whales, 1,320

of which were killed last year.

the endangered sperm whale

on cruelty grounds.

where Japan hunts.

had its licence to accept forward.

deposits withdrawn. Barnet

Islanders' savings

plea to the Queen

DEPOSITORS IN a collapsed make known that the company Guernsey-based finance combad lost its licence. They are

pany are appealing to the appealing to the Privy Council

could decide whether they get Appeal Court that there was a

back their life savings.

In a test case, one of the depositors, Mrs Lillian Vera Firth is sueing the island authorities for more than Appeal Court that there was a case to answer on Mrs Firth's claim.

A committee representing some 50 depositors, many of them elderly, is petitioning the

have filed similar actions.

The island authorities claim owing depositors about £14m.

So far depositors have received

they had no statutory duty to only 14p in the pound.

Ban on all sperm whale

THE INTERNATIONAL Whal- would again be defeated ing Commission has voted. The ban on cold of to ban the killing of sperm explosive harpooning w

Brighton, delegates also decided its use because whales hunted

explosive harpoon, long opposed hours to die. Whalers argue

Japan voted against the Alick Buchanan-Smith said after measure, but it was agreed to the meeting: "I regret that it hold another conference in the was not possible for the IWC to

spring, before the next whaling agree on a complete, commer-season starts, to review sperm cial moratorium on the killing whaling in the North Pacific of all whales.

Conservation groups are con-fident, however, that any future steps towards the better con-

move by the Japanese to hunt servation of whales."

Nations voted 25-1 to stop all on a small whale destroys too

much meat.

killing is approved

Three more banks to challenge status ruling

By Raymond Hughes, Law Courts Correspondent

PROVISIONAL dates have stockbroking firm. Panmure Gordon, believes sterling has been "slightly oversold" and been set for three more appeals aginst decisions by the Bank of England under its correct value is in the \$1.90 its newly acquired powers to The return of stability, both decide what institutions are in the oil market and in the streets, should soon be reflected entitled to call themselves

On October 19 the Commercial Bank of Wales will challenge the Bank England's refusal to grant it full bank status. The company, whose chair-

man is Sir Julian Hodge, was granted the lesser status of licensed deposit taker. Unless that decision reversed on appeal the company will have to remove the word "bank" from its title and avoid describing itself as a banking business.

A similar appeal by Wi-n trust is due to be heard on December 16. The appeal had been fixed for last May but was adjourned at the company's request.

Both appeals will be heard by the Banking Act Appeal Board, the appeal tribunal provided for by the 1979 Banking Act, from which the Bank of England derives its powers, In each case the chairman of the tribunal will be Mr Leonard Bromley, QC. In September Financial and

General Securities will appeal against a refusal to grant it the status of a licensed deposit taker. The tribunal chairman will be Mr Allan Heyman, QC. Aston Rothbury, a company

providing financial services, has withdrawn its appeal to have been heard at the beginning of August. The company, whose application for a licence to take

deposits was refused, has decided to make a fresh appli-cation to the Bank of England. It intends restructuring its organisation to give it a better chance of succe

On Tuesday the Treasury announced that the Chancellor of the Exchequer had upheld the Bank of England's refusal to grant full bank status to People's Bank of Bradfordthe first company to take advantage of the appeal machinery. People's Bank may appeal

to the High Court. This would enable the Bank of England to raise an aspect of the tribunal appeal that went against it—the decision of the tribunal and the Chancellor that the 1979 Act entitles them to look afresh at all aspects of an appellant's case, both fact and law.

The Bank had argued that its decision could be over-turned only if it had made an error of law—a view that has not been affected by Tuesday's

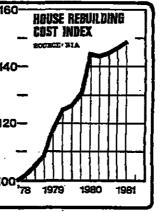
House-rebuild costs

1980, says the British Insurance Association. The latest house-rebuilding

index published by the association showed that costs rose by 1.4 per cent in the second quarter of this year. The index at end-June was 148.8, against 146.8 for end-March.

month period to end-June to 2.9 per cent.
The index is compiled for the Information Service of the Royal

It was started in July 1978 prime purpose is to enable material costs, with no one



house-building

MR TONY BENN launched the were obliged to support the second phase of his campaign policies decided by conference. for the deputy leadership of Labour Party yesterday with a renewed attack on the

with the party's commitment to Brynmor John.
unilateral nuclear disarmament Should the narry and withdrawal from the EEC. "The party is entitled to ex-pect that its spokesmen will

those in the Shadow Cabinet position.

Although he did not name the present deputy leader, Mr Denis Healey, and indeed insisted he was not making a personal attack, his comments were widely interpreted as referring to Mr Healey
Mr Healey's failure last week

to persuade the National Executive Committee to adopt a policy of multilateral, rather than unilateral, disarmament, Interviewed on BBC Radio, has already provoked a resigna-he said "a lot of people" in tion threat from Labour's

Benn indicated yesterday he would not be slow to exploit to prevent anyone from would not be slow to explost expressing his own views, but this weakness in Mr Healey's

Call for tax rebates on private medicine

By David Fishlock, Science Editor TAX REBATES for those who opt out of the National Health Service and tax deductions on private medical premiums are among proposals for encouraging private medicine to be put today to the Minister of Health.

from the Adam Smith Insti-Its report says that Britain's

medical services are orientated more heavily towards caring than curing, comdeveloped nations.

It attributes this to vote-catching by legislators, in a situacent of the medical costs are met from the public purse. In the absence of rationing by price, rationing has been inconvenience. unavail-

Nor are Health Service charges the answer, for "the level of charges remains in the political arena with constant pressures to keen them below market levels."

"there is a real case for supposing the NHS not to be susceptible to substantial im-"Trovement."

All private health insurance novments — nersonal or em-nlayer-knamed — should be tax deductible; Tax rehates for those who opt

NHS hospitals): Gifts for private hospitals to be totally tax-deductible;

Health and the Public Sector, Arailable from the Adam Smith Institute, 50, West-

minster Mansions, Little Smith Street, London SWIP

EEC code would end tied drinks deals

amusement machines.

between brewers and public houses for draught beer, which houses for draught beer, which accounts for nearly four-fifths of the UK beer market.

Present EEC regulations on machines income. of the UK beer market. share of the Present EEC regulations on machines income this expire at the end of 1982. The proposed ci

ing draft regulations. The Office of Fair Trading EEC Regulation 67, passed in

Association, the National Union of Licensed Victuallers and the Campaign for Real Ale for industry as a whole. comments by August 14. mittee. When all replies are in an amended draft code will

This percentage has been

About two-thirds of public

The brewers think the main

Commission has no wish to see part of the trade, altered.

has distributed copies of the 1967, allows industries to draft code to the Brewers' develop exclusive dealings with Society, the Wine and Spirit retailers who can sell only their products if this is proved of benefit to consumers or the While the brewers argue

omments by August 14. White the prewers argued. The proposals will then be strongly that the tied house considered by an advisory com- system is beneficial to the mittee. When all replies are industry and consumer the Licensed Victuallers, which be published in the late autumn. sent a delegation to the Competition Directorate last Sephouses are owned or managed tember, is concerned that tenants have lost competitiveness because of brewers' restricfalling since the 1960s. Tenants tions on wine, spirits and have to accept a package of bottled beers.

Posters group hits back at 'monopoly' charge

BY DAVID CHURCHILL CONSUMER AFFAIRS CORRESPONDENT

has hit back strongly at Government plans for a radical shakeup of the UK poster business. The Institute of Practitioners

in Advertising, the leading trade body, says that the shake-up would run counter to the interests of many advertisers and make posters less competi-tive with Press and television advertising. The shake-up was recom-

mended by the Monopolies and Mergers Commission. It called for the disbandment of British

THE ADVERTISING industry Posters, a consortium of leading poster contractors set up ten years ago to sell pre-selected packages of poster sites for advertisers wanting national

> prices and so should be wound British Posters has said it "deplores" the Commission's conclusions and intends to carry on trading normally while it holds talks with the Govern-

Productivity cloud over BSC Teesside

Teesside shortly to try to resolve technical problems with the Redear coke ovens which are s clear, however, that concern echnical problems. Under the targets of the

to profitability. Teesside must with local union leaders and are achieve a productivity level of being implemented. eight man hours per tonne of

around nine man hours per

of Chicago will be arriving at these technical difficulties are resolved soon. Teesside orders will be transferred elsewhere in siderable progress has been the corporation putting further made, but union leaders are pushing up the plant's costs. It jobs in the North East at risk, against being reminded of the The corporation management within the corporation about says, however, that while the the Teesside performance is not coke oven problems are adding restricted to the effect of these to costs, they are not directly responsible for the Teesside productivity record. Manning Corporate Plan to restore BSC reductions have been agreed

steel this year. It will be ex- 20,000 at the time of last year's pected to make further sub- national steel strike will be stantial improvements on this down to 13,500 by October, But in subsequent Teesside has not yet achieved the same standards of operating But with 1981 more than half flexibility which have permitted over, the productivity of the big productivity strides to be Teesside workforce is still made in the South Wales plants. "The problem has been less

building industry. By such past standards, says Mr Saul, con- of other regions to make the need for their members to give the coke making plant at Red-the most wholehearted co-operation, particularly in areas. nique, being used in Britain for need for their members to give like flexibility and interchangeability on maintenance tasks. Some aspects of the Teesside

operation, like its sinter plant, are already operating up to the best international standards. A bonus pay agreement reached with unions earlier this year depends upon the eight man hours per tonne target being achieved, and the Teesside management remains confident that it will be possible for their works to meet the requirements tonne. While the plant's pro- one of getting the numbers

ductivity is moving in the right down than of changing the faced is a feeling among the ever achieve the same produc-

same sacrifice. The difficulties have been made worse by the problems on the first time, of pneumatically

the coke ovens by pipeline. Inland steel has successfully overcome similar problems, and the giant Redcar furnace it is hoped that the Redcar ovens taken offstream for relining. begin may begin functioning efficiently by the late summer. functioning In the meantime Teesside is still this has temporarily retrieved 400 jobs there.

It is unlikely that Teessideof the 1981 Corporate Plan.

One of the problems which Redcar development and the the Teesside management has associated Lackenby works—will ever achieve the same production.

topne are regarded as the

Redcar's 14 metre blast furnace is among the largest in the world. When it was originally conceived there were to have been three furnaces but, with the contraction in BSC, the Teesside plant now has to face the inflexibility of working with only one, BSC will eventually have to decide how to maintain charging pre-heated coal into its blast furnace capacity when the giant Redcar furnace is

Some mothbailed capacity on Teesside could provide about half the Redcar output, and being supplied by the corpora-tion's Hartlepool coke ovens and furnace maintenance suggest

July 13, 1981

thereon to the date fixed for redemption.

For the Electricity Supply Commission

CITIBANK, N.A.

As Fiscal Agent

climbing again

HOUSE-REBUILDING costs are beginning to accelerate after remaining virtually static in

This brought the rise in rebuilding costs for the 12-

ssociation by the Building Cost Institution of Chartered Sur-

insured calculated at the end of each quarter of the year arose from quarter of the calendar year. Its a small rise in labour and

Benn renews campaign

removed him temporarily from active politics. Mr Benn indicated that alleged disloyalty to party policy is to form a major theme of his campaign.

party in the House of Com-mons," he said. He did not, he added, wish

Should the party, at autumn conference, adopt the NEC's recommendations and should Mr John carry out his reflect the settled policy of the threat, Mr Healey would be party in the House of Com- under heavy pressure either to fall into line or to resign. Mr

Clearly unrepentant over the row caused by a similar attack, made only days before illness

householders to revalue sums specific item rising appreciably.

against shadow cabinet

Shadow Cabinet.

The proposals come in a report

pared with other highly

ability and queuing.

The report concludes that Maja Brobosale Ste.

out of the NHS: Building grants for private hospitals (which, it claims, provide heds on a morecost-effective basis than the

Greater use of private contractors to provide NHS Removal of "monopolistic regu-lations" on the supply of equipment to the NHS.

THE EEC Competition Direct services from the brewers, t torate has drafted a code including specified spirits and recommending an end to wines. fied arrangements between The brewers think the main breweries and public houses on thrust of the proposed regula-wines, spirits, bottled beers and tions is directed against fied

musement machines. trading relationships outside The draft code has been sent the UK, and emphasise that the to drinks industry organisations. It supports retaining the ties the draught beer tie, the main

this expire at the end of 1982. The proposed changes would The Commission has asked for probably lead to significant rent views of member-Governments rises for public house tenants by early autumn before publish to compensate the brewers for rises for public house tenants consequent loss of revenue.

coverage. The Commission concluded that the consortium had reduced competition and led to higher

THE BIG Teesside steel complex is under close scrutiny from the British Steel Corporation's London headquarters because it improvements demanded in the improvements demanded in the BSC survival plan.

BSC survival plan.

They fare that unless of those who remain, says Mr Derek Saul, managing director, BSC sections and commercial steels.

Demarcation attitudes in steelworks in the North East have traditionally been set by those of the neighbouring ship. fornaces reduced to one. The workers feel it is now the turn

> that it may now be possible for big furnaces to run for nine or 10 years double their previous expected life—with relining pos-sible in four months. This has previously taken six to nine

80: January May 128 127.41;

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Dr. Rudo TRANS-K Boston of owned U. office is lo

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Welsh coal loss threatens pits

A RECORD LOSS of more than £50m by the National Coal Board's South Wales area in 1980-81 is expected to be published today, renewing speculation about possible pit closures in the Welsh coal field.

The heavy Welsh losses are expected to compare with a

expected to compare with a small operating profit in the NCB's overall balance sheet. They reflect last year's very sharp cutback in Welsh steel tion, competition from coking coal imports, and greatly increased stocks due, not least, to the recession.

South Wales collieries are continuing to supply all of the British Steel Corporation's reduced Llanwern needs andsince last February's strike against pit closures—they have resumed supplying part of Talbot's coking coal consumption. But prices have had to be heavily discounted in order to match import price levels.
Exports of Welsh coal have

also been stepped up considerably, noticeably to France. Wales-led confrontation between prevent closures, except the miners and the Government reserves are exhausted. Wales-led confrontation between

earlier this year, the NCB's Welsh officials and NUM leaders are approaching the problem of the coalfield's losses very gingerly.

The local NUM has agreed to end its boycott of the joint consultative machinery and, after two meetings, both sides have agreed to a study of the finances of about a quarter of the coalfield's pits in detail, to see if there is room for further productivity improvements.

At the same time of the coalfield of the coalfield of the coalfield's pits in detail, to see if there is room for further productivity improvements.

At the same time, the NUM is proposing to bring forward its own plan for further investment in the coalfield some time in September.

Since last February's strike, the union has agreed to the closure of one colliery on the original closure list—Morlais pit, near Llanelli. Working conditions had become intoler-

However, sacrosanct the Government's pledges to make additional finance available to the industry, In the wake of the South to improve productivity and

Pay fears could delay **Belvoir coal decision**

A GOVERNMENT decision on need for Belvoir's coal in the whether to permit coal-mining Leicestershire's Vale of Belvoir may be deferred until after miners' pay negotiations in the autumn.

This could prevent the issue becoming embroiled in any Government-union pay confrontation. And the knowledge that a Belvoir decision was still pending might moderate the

miners' 24 per cent pay claim. Even if planning permission were eventually granted, this would not necessarily allow the NCB to press ahead. Ministers might still be reluctant to grant investment approval unless they were satisfied that the NCB was But some voices within the making reasonable progress industry are now suggesting towards the closure of its heaviest loss-making pits.

Ministers disagree on the

1990s, when the field is due to

reach full production. In a draft paper to Cabinet colleagues, Mr Michael Heseltine, the Environment Secretary, says he is not convinced and that permission should be refused, at least for the next

He is also "strongly of the opinion" that the NCB should not be allowed to build colliery spoil tips at any of the three mine sites. Waste from the pits should be moved elsewhere, possibly to fill in disused brick clay pits in Bedfordshire. This would add to the cost

that the Board might be able to get by initially with just one of the collieries.

Cheaper fruit lowers Grocery Prices Index

BY DAVID CHURCHILL CONSUMER AFFAIRS CORRESPONDENT

Prices Index fell for the first time in 10 months in Julymainly as a result of seasonally month meant that the same fruit cheaper fresh fruit and vege-

The July index stood at 136.6 compared with 137.37 last month. The cost of the fresh fruit and vegetable section fell

by 6.4 per cent. Apart from the drop in fresh fruit and vegetable prices, most other sectors of the shopping basket were either the same in price as last month or cost

The index is based on data collected by 25 shoppers who monitor a list of more than 100 items each month in the same shops. The shops range from small village grocers to large

THE Financial Times Grocery fresh fruit and vegetable

section. The sharp fall in prices this and vegetables this year were 0.7 per cent cheaper than last

The largest increase in prices over the year was in the dairy produce section which rose by per cent mainly as a result f higher milk prices. The cost of fresh meat also

rose by 7.7 per cent over the year, while frozen foods cost

some 5.8 per cent more.

In the packaged grocery market, latest trade estimates suggest that the leading two multiples, Tesco and J. Sainsbury, are still running neck and

shops. The shops range from small village grocers to large superstores.

The index is a guide only to the trends in food prices and should not be taken as an absolute indicator of prices. These can vary considerably according to shop type and location.

Although the overall index has risen steadily since last July, when it stood at 129.04, the only section of the basket to cost less than a year ago is the

	july £	june £
	678.98	677.95
Dairy produce	209.10	209.03
Sugar, tea, coffee and soft drinks Bread, floor and cereals Preserves and dry groceries	315.61	313.06
	113.59	114.13
	53.69	53.69
Szuces and pickles	197.49	195.93
Canned goods	242.59	241.04
Frozen foods	574.98	580.17
Meat, bacon, etc. (fresh) Fruit and vegetables Non-foods	273.98	292.61
	242.91	243.28
TOTAL	2,904.92	2,920.9

January 120.47; February 122.32; March 124.18; April 125. May 128.79; June 128.53; July 129.04; August 128.41; Septemi 127.41; October 126.84; November 127.77; December 129.38 1981: January 130.96; February 131.75; March 132.75; April 134.93; May 136.30; June 137.37; July 136.62.

TRANS-KB

Dr. Rudolf J. Ernst, President of the Swiss listed TRANS-KB group has announced the opening of the Boston office of the KB Advisory Limited, a wholly owned U.S. subsidiary of the TRANS-KB group. The office is located at 60 State Street.

Omce is located at ou State Street.

Ulf Pramer, Managing Director of the Venture Capital division of TRANS-KB, has been appointed Chairman of the Board. TRANS-KB expects to announce this week the appointment of a President of KB Advisory Limited, with a long-standing involvement in the U.S. Venture Capital, both in operations and investments.

Since its formation earlier this year the Venture Capital arm of the TRANS-KB group has already made nine major U.S. investments in the high-technology field for a total of \$10m. Co-investors count among the leading U.S. Venture Capital

New system to check power transmission faults



Managing director John Cunningham checks one of PAP's fault monitoring micro-stores before the equipment is shipped to Mexico. The Northern Ireland company aims to export most of its production and is concentrating particularly on the market in oilproducing developing countries. The new micro-electronic system shows what has occurred before, during and after a power breakdown.

Siemens, nor General Electric will put us off. We will take the fight right to them and I have no intention of losing under any circumstances."

The words are spoken in a bare office in a small factory squeezed in between an animal feed manufacturer and a fabricator of dustbins where the outskirts of Lisburo merge with the Northern Ireland country-side.

They would seem a little vainglorious were it not for the fact that Mr John Cunningham, who gave up a promising man-agement career with Siemens in Canada three years ago to set up his own company, Power Automation Products, in his native Northern Ireland, has already given some substance to

system for monitoring and re-cording transient faults in transmission networks. locate faults in power lines even in remote mountains or under deep spowdrifts. The PAP micro-stores, which ally to expand the company from its present staff of 30, most of convert information on voltage

and current into a digital format, monitor faults more reliably, Mr Cunningham claims, than older electromechanical devices. Located at major substations they are also linked to a central computer and data from any number of micro-stores can be instantan- with horrowed furniture after £500,000 for an orderly expan- to mak eously transmitted to central sinking £50,000 — his total sion. The company will come notice."



The power industry is geared to fixing faults as quickly as possible, but they often have no idea what happened. Our system shows clearly what occurred before, during and after a fault." Mr Cunningham

PAP micro-stores mondtor the power lines of Quebec Hydro and Manitoba Hydro in Canada He was first on to the market and of four utilities in the ith a new micro-electronic American Mid-West. But the extent for monitoring and recompany's real breakthrough has been in Mexico. Already 50 PAP micro-stores

Within a year, he hopes to be have been installed—and the first again, with a system based system will be extended to on satellite timings and com-puters which will automatically next two years. The contract will be worth between £10m and Mr Cunningham plans gradu-

them engineers, to between 100 and 120 by the end of next year. Less than three years ago PAP consisted of Mr Cunningham, a secretary, an idea, and a single micro-store produced for him by a sub-contractor. He was living in a rented bungalow

In the first of a series of articles which will look at some of the new small technologically oriented industries developing in the UK, Raymond Snoddy reports on Power **Automation Products of** N Ireland.

savings and borrowings --- into the company. At the age of 37, he had given up his job as a divisional manager of Siemens measurement systems for Canada and areas of the U.S.

The need to go his own way had, he says, become an obsession. He wanted to change the status quo and at the same time create new stable jobs in a province which has been losing jobs by the thousand. The Northern Ireland Devel-

opment Agency decided to support PAP. It has provided £750,000 through shares and bank guarantees, and holds 49 per cent of the equity.
But Mr Cunningham has found venture capital in Ulster

in short supply. He believes most of those who provide it are frightened of high technology, overseas markets and small companies competing with multinationals.

"Sometimes I get so frus-trated I would like to pick up the whole place and shake it," But he is optimistic that he

will be able to raise a further

into profit next year, h believes

His experience with Siemens and previously with Philips has given him the confidence and knowledge to go out aggressively in search of foreign-markets.

PAP aims to export virtually all its products—though it is also competing for a £500,000 Central Electricity Generating Board contract for faultmonitoring equipment on the planned DC link between the

the Continent. Otherwise PAP is focusing its attention on oil-producing developing countries.

national grids of Britain and

"I don't even quote in Europe. It is too subject to recession. We must concentrate our limited resources where they will have the greatest

Discussions are already under way with Brazil and Venezuela, Mr Cunningham hopes he will be able to sell his system to countries such as South Africa, Indonesia, China, Nigeria and Algeria.

He spends half of his time abroad and 12-hour working days are normal, plus work on Saturdays. The stakes, he believes, are

"It's a game, really, I'm aying," John Cunningham playing," John Cumus, savs. "The stakes are to achieve something — that's the be-all and end-all. My father was very Irish. He laughed at the rest of the world. I want to make it sit up and take

See how we respond.



1 How hard is it to get a 20 year loan?

2 Would EEC grants or loans be available for my new factory?

3 I'm planning to expand my business. What types of finance are available?

4 Should I review my will now that I'm running my own business?

5 I'd like to stop paying my employees in cash. How do I pay through a bank?

6 Are there advantages in asking for a loan in foreign currency rather than sterling?

• The best way to judge a bank is to see how well it responds. We're ready when you are.



Midland
Come and talk
to the listening bank

Peace or war for civil servants? Philip Bassett reports,

Showdown after five months

CIVIL SERVICE union leaders judged to be very close to Mr system favoured by the Govern- the national leaders of the whether to end the almost five his rise to the premiership, was over pay-or whether to try to the union's headquarters from throw the unions into an all-out 1936 to 1947. strike in a final attempt to shift the Government from its resolve change in the union before the to resist them.

wards all-out action in the pro- stamping on of the Revenue longed dispute have failed. And Rank and File newspaper, which early voting returns from the service's three largest unions are indicating a clear move towards accepting the Government's improved pay package.

If such voting patterns continue in the remaining locallevel union meetings due this executive severely censured a week, they could again see the collapse of efforts to extend the strikes at selected computer and other key centres to an allout stoppage.
The Government's offer of 71

per cent for this year, with negotiations for 1982 to be free from pre-set cash limits and supported by access to qualified arbitration, plus, for the future, an independent pay inquiry, looks at present likely to be rejected—by only one union— and that perhaps narrowly.

The fact that the union in question is the taxmen's union. the Inland Revenue Staff Federation, rather than the much more militantly led Civil and Public Services Association or Society of Civil and Public Servants, would have been considered unthinkable when the strikes started back in March. If the dispute bas radically changed the Civil Service and its relationship with its political masters, then no organisation on the trade union side has undergone such a transformation as the small, 65,000-member. IRSF.

Amounting to a house association in the less than dynamic Inland Revenue, the IRSF has IRSF members — account for ciation in the less than dynamic for long virtually epitomised trade union moderation both industrially and politically. Even as recently as its annual conference in Scarborough in 1978, for example, while other unions were gearing up for a "winter of discontent," the one subject to raise IRSF delegates' ire was tax evasion.

Its present general secretary. Mr Tony Christopher (and Lord strike at each centre. But each Plant before him) has always at over 50 per cent, represents been a staunch bastion of the a considerably higher turnout moderate point of view on the than is normal in trade union TUC general council. than is normal in trade union voting, and is in line with the As a member of the TUC

economic committee while the IRSF meeting. last Labour Government was in The engineering union, for office, Mr Christopher was example, using the postal ballot

CONTRACTS AND TENDERS

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STORES DEPARTMENT

CONTRACT NO. 5307

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Office of Controller of Stores

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Tenders are invited by the Commission for the Supply and Délivery of

Tender documents and specifications are available upon request from the Supplies and Transport Division. Commission's Head Office, P.O. Box 1105, BOROKO, Papua New Guinea.

Tenders will close at 2.30 p.m. Tucsday 25th August 1981 at Com-mission's Head Office. Wards Road, HOHOLA, Port Moresby.

ROYAUME DU MAROC

OFFICE NATIONAL DE L'EAU POTABLE

DIVISION DES GRANDS AMENAGEMENTS

AVIS DE CONCOURS INTERNATIONAL

ETUDE GENERALE ET DE FACTIBILITE D'AUMENTATION EN

EAU POTABLE DE LA ZONE COTIERE COMPRISE ENTRE

KENITRA ET SAFI

Le Directeur Général de l'Office National de l'Eau Potable (ONEP) porte à la connaissance des soumissionnaires que la date limite de reception des plis fixée initialement au 22 juillet 1981 est

Overalls Safety Boots and Shoes Hand Paper Townls and Toilet Rolls Fuse Bodies and Elements

reportée au 3 Septembre 1981 à 12 heures.

There have been signs of a present strikes. The 1978 con-However, previous moves to- ference, for instance, saw the took a Left-wing, critical and robust look at the union's leadership. The paper's leading light, Mr Des Bailey, is now the vice-president of the union's taxes section.

Only recently, too, the union's new member, Mrs Ann Syvester, for providing information on a previous meeting to the newspaper of Labour's Militant Tendency.

Even so, few would have thought that it would be the which has provided considerably more than its share of the financial and industrial support for the current cam-Probably alone among major departments, some 72 per cent of the revenue's staff -according to official figureshave taken part in the current.

industrial action. About 3 per cent of revenue employees have been directly involved in the revenue action. compared to less than 1 per cent for the Civil Service

overall.
At the last count, 1,173 revenue staff in regional and local tax collection offices were on strike, mainly to avoid their being suspended for blacking the work normally handled by the 1.065 staff out at the revenue's two Pay As Your Earn and National Insurance processing computer centres at Shipley, West Yorkshire, and Cumbernauld, near Glasgow.

total now on selective strike. Accusations of unrepresentativeness could be—and are— levied that these staff are not typical of the rest of the IRSF membership, let alone the Civil Service as a whole. Certainly the votes at Cumbernauld and Shipley on Friday were well down on the number out on general polling level at the

more than 40 per cent of the

will this week take a decision on James Callaghan, who before ment, regularly elects full-time Council of Civil Service Unions, officials with polls of about 20 at the progress of the dispute. months of strikes in the service an IRSF assistant secretary at per cent, and Mr Terry Duffy's return led to the presidency

was considered a landslide. The balance of the vote at Cumbernauld-294 to reject, only 10 to accept-might well be used as evidence to support charges of lack of representativeness. The narrower rejection at Shipley, at 214-146, was perhaps more significant.

The strikers gathered for the meeting at the Shipley Trades Hall. They heard a detailed and careful presentation of the offer by Ms Liz Symons, an IRSF assistant secretary, and the Shipley strike co-ordinator, who laid out the stark choice before them - capitulation or all-out

Given the remit of the IRSF's reluctant decision to put out the offer to its members with no recommendation. Ms Symons clearly drew attention to the offer's shortcomings in relation to the union's original claim for 15 per cent and a restoration of pay comparability. Some delegates, like some at

the Leeds meeting which followed, were concerned that an all-out strike might go the way of the selective action and fail to move the Government at all. Others thought the offer. particularly for this year, was so insulting" as to leave them with little choice.

The division in the eventual vote marks the odd mixture of tiredness, perhaps boredom, and yet still anger and resentment of the mainly teenage girls mounting a desultory picket of feelings are shared by local

The pickets were still cheerful, and full of praise for the in a 24.7 per cent poli that financial support from the CCSU The activists, on the other hand, we ersharply critical f the o were sharply critical of the national CCSU leadership,

singling out a number of leading union officials for close personal attack. Though the unions' channels for pure information are good, the main way for strikers outside London to sense the feel-

ing of the dispute—often as important—is through union television leaders' formances. Many felt that the tone of union leaders' response to the improved offer two weeks ago belied their fighting words, showed clearly that at national level at least, the CCSU believed the pay campaign to be ail but over.

However, the sense of an ending cannot be blamed totally on the unions' media presentation. The strikers at Shipley voted overall for an all-out stoppage, but they were aware, through the union grapevine and some newspapers reports that the voting of unions other than the IRSF was swinging to-

wards acceptance. Some were surprisingly optimistic that a return to work could be achieved harmoniously. Others, perhaps more aware of the division and bitterness crossing a picket line can cause, were considerably more

Returning to work for them will undoubtedly be even more difficult than the agonising of computer centre. These union leaders on Thursday over feelings are shared by local whether to accept what looks militant activists, and even of increasingly like the inevitable.

Low level of machine tool orders drops 7%

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE DISASTROUSLY low in British Business. level of new orders being taken showed no signs of improvement in April, despite the fact that figures for the whole engineering industry show that orders are continuing on an apward trend.

Home orders for machine

The decline since January by the machine tool industry when the level of new orders was already very poor, has been more than 13 per cent. Export orders have been slightly stronger, however, with the result that total new orders have fallen 5.5 per cent between January and April.

The figures for the engineertools fell by nearly 7 per cent ing industries (mechanical, elec-between March and April, trical and instrument) are according to figures published slightly more encouraging.

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Liverpool dockers to resume pay talks

A SETTLEMENT of the threemonth dispute at Liverpool Docks, which has resulted in six one-day stoppages, seems likely after a mass meeting of dock workers yesterday.

More than 2,000 of the Mersey Docks and Harbour Company's 3,500 dockers, meeting in Liverpool Stadium, voted overwhelmingly to resume negotiations with the company today on a "clean slate" basis.

Mr Dennis Kelly, chairman of Mersey Dock shop stewards' committee, said that both sides would make proposals for improving productivity in the docks, and that pay rises would be related to agreed productivity measurės.

This is a considerable conchanges in working practices.

Mr James Fitzpatrick, chief executive and managing director of Mersey Docks, said: "It will now need hard-headed common sense on hoth sides of the negotiating table. A formula will give the men their longoverdue pay rise, and the port a fighting chance for survival." Both sides believe that the talks can be concluded within two weeks, after which a package will be put to a mass

meeting. Mersey Docks has lost some months, half through the decision earlier this month by Manchester Liners to transfer its base from Seaforth to Felix-

In the past week the Beacon Line shipping company announced that it would pull out its general cargo operations from Birkenhead and concentrate on container services between East Coast ports and East Africa, a further loss to the docks of £1m.

Unions seek national deal in chemicals

By Pauline Clark, Labour Staff

UNIONS IN the chemicals industry are likely to seek a return to national negotiations over the next few weeks following a spate of company pay deals which the unions claim are run-'ning at an average 9.5 per cent. The General and Municipal Workers Union, the major union representing process workers in the industry, is planning to publish shortly a comprehensive list of settlements to back up the claim.

Mr David Warburton, national industrial officer in the GMWU, 58,000 chemical workers hoped to persuade the Chemical Industries Association that Its 200 members are ready to pay increases in excess of the asso ciation's previous 7.3 per cent ceiling which led to the breakdown of national negotiations last May.

The union, representing about 38.000 process workers, has written to the association challenging it to publish the results of its own survey of members' deals, which the association says conform to the national offer.

Mr Warburton said that on matters of health and safety, industry training and other aspects, the joint national agree-ment ranked with the best in British industry. Unions did not want to see the national joint bargaining structure dismantled and were anxious to see credibility restored to pay nego-

The union claims to have evidence so far from 60 companies employing 24,000 chemical workers of a majority of deals reached in excess of 7.3 per cent. The lowest minimum rate, it says, is £72 a week compared with the basic minimum of £70.80 set at the last meeting at national level.

Managers' pay increases drop

SALARY INCREASES senior and middle management have dropped dramatically in recent months and will continue to fall according to a survey of companies published today. Wage deals in June averaged 10.2 per cent, down from a high of 19.5 per cent last October. The overall annual rate for the past 12 months was 14.4 per

Reward Regional Surveys. which undertook the research, compiled its report from salary figures provided by 100 firms. It predicts that increases in private manufacturing and service industries will be from 6 to 8 per cent,

Looking as specific profes sions, the survey found that engineers and technical staff were recruited at higher starting Salaries than many professions but take longer - into their fifties - to reach their earning peak. Financial. marand management workers reached their carning plateau in their mid-forties.

Lucas Aerospace staff condemn executive action over sacking

BY JOHN LLOYD, LABOUR CORRESPONDENT

Aerospace have condemned the union's executive for its alleged lack of support for Mr Mike Cooley, a senior draughtsman sacked from Lucas's Willesden plant after refusing to accept a job as a training officer.

The Lucas Aerospace Tass committee has called for an emergency meeting with the by the 40-plus memoers at offered.

MEMBERS OF the white-collar Willesden. Members there union AUEW Tass at Lucas rejected this by 22 votes to 13. disagreements between sensor

The Tass committee at Willesden, in a separate statement. has said that the vote against the strike call was not an indication of a lack of support for Mr Cooley, but a rejection of the executive's strategy.

Mr Patrick Delaney, chairman of the Willesden committee, Tass executive to press for said yesterday his members felt selective strikes throughout the their position at Willesden was company in Mr Cooley's sup-weak and that the executive the call was unanimously sup-port. The Tass executive voted should have called on other ported both by the executive ten days ago for an all-out strike areas where support had been and by the Lucas national

Mr Delaney said political former Tass president were partly responsible for the decision:

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THE Midd Exhibition most retained. Cent find, Cent find, Nove Licensed Commerce Saudi Arai that dem success of held in 19: for the first incorporate services at ment inter gowing im the

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However, Tass officials have stressed that without the full support of Mr Cooley's own former workmates, further action would be pointless. They say that the executive effered. 100 per cent strike pay to the Willesden members, and that negotizting committee.

Talks possible on rail productivity

BY OUR LABOUR CORRESPONDENT

this week review their positions drivers' union Aslef—the only investment plans. on Friday's offer by British Rail's chairman, Sir Peter ression by the dockers, who have previously insisted that pay must be unrelated to tration award if the unions committed themselves to changes in working practices designed to improve producti-

has refused to put proposals BR's pressing financial pros-on productivity to BR—meets lems, and are anxious to tomorrow.

The three unions-including the National Union of Railwaywhere Sir Peter will inform cent offer.

THE THREE rail unions will The executive of the train them of progress on BR's

industrial action. However, Asier's formal posi-tion is that BR should honour the clause in the arbitration men and the staff union TSSA the clause in the arbitration will meet the British Rail award which separates produc-Council tomorrow afternoon, tivity talks from the 11 per

Belle Vue, Manchester

Wembley Conference Centre.

Olympia Earls Court

Brighton Centre Crantield Airfield

Regents Park

Earls Court

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Aug 0-12	724 0851)
Aug 9-13	International Gifts Fair (01-855 9201)
Aug 21-31	Motorcycle Show-BIKE '81 (01-385 1200)
Aug 23-26	International Craft and Hobby Fair (04252 72711)
Aug 23-28	Solar World Forum-International Energy Society
(-	Congress and Exhibition (01-493 6601)
Sept 3-5	Business and Light Aviation Show (01-643-8040)
Sept 6-9	
} -	20721)
Sept 6-10	Watch, Jewellery and Silver Trades Fair (01-843
l	8040)
Sept 8-10	Laboratory S1 Exhibition (0795 22612)
Sept 8-11	International Carpet Fair (01-839 5041)
Sept 11-13	National CB Show (01-437 1002)
Sept 13-16	MAB International Menswear Fair (01-404 0801)
Sept 15-17	Industrial Environment Show (01-686 6339)
Sept 15-22	
l	(021-705 6707)
Sept 15-18	Offshore Europe 81 Exhibition and Conference

(01-549 5831)

OVERSEAS TRADE FAIRS AND EXHIBITIONS

] Aug 24-28	International Public Works and Municipal Services.
	ł .	Exhibition—CIVICON (01-486 1951)
	Aug 25-Sept 2	International Exhibition of Agriculture, Machinery
		and Produce (01-486 1951)
	Aug 28-Sept 8	International Fair of Consumer Goods (01-874 6034)
	Aug 29-Sept 2	International Fair (01-734 0543)
,	Sept 4-13	International Radio and TV Exhibition (01-546)
	Sept 5-8	International Exhibition of Sports Goods and Out-
	Gept 9-0	door Activities (01-439 3954)
ŀ	Sept 6-12	International Autumn Fair (01493 3111)
	Sept 9-12	Electronic Packaging Exhibition—INTERNEPCON
		(01-390 0281)
	Sept 9-17	International Engineering Fair (01-278 0281)
	Sept 18-20	International Trade Fair for Tableware, China,
i		Glassware, Cutlery and Metalware Accessories
		(01-204 1212)
ĺ	Sept 11-20	International Autumn Fair (01-486 1951)
	Sept 14-18	SE Asian Production Machinery and Engineering
		Equipment Exhibition (01-486 1951)
i	Sept 19-20	Scandinavian Fashion Week (01-540 1101)
ı	Sept 20-23	Hardware Trade Fair (01-439 3964)
ı	•	

National Exhibition Centre, Birmingham Aberdeen

Earls Court Gresvenor House, W1 Exhibition Centre, Harrogate Old Horticultural Halls, SW1

Maxico Berlin

Taipet Salzbarg Zagreb

BUSINESS AND MANAGEMENT CONFERENCES Current Investment Seminars International: Offshore in-

5		vestment seminar on international portfolio
,	l	strategies and techniques (01-839 2922) (until August 2)
t	Aug 6-7	AMR International: Executive Project Management (01-262 2732)
5	Aug 13	LCCI: Opportunities for British business in the Yemen Arab republic (01-248 4444)
Ĺ	Aug 19	Institute of Credit Management: Credit Clerks Training Day (0990 23711)
3	Aug 24-29	National Association of Corporate Reel Estate Executives: Investment Opportunities in the
•	Aug 25	Northeast U.S. (Germany Tel. 4189509 bretd.) Management Training Consultants: Modular
?		Approach to Supervisory Training (0533-27062)
?	Sept 3	Citizens' Rights Office: Income Maintenance and the Personnel Officer's Job (01-405 5942)
1	Sept 7	British Computer Society: Query Languages for the End User (01-637 0471)
•	Sept 10	IPS: Materials for industry—present and future (0990 23711)
l	Sept 10-12	Institute of Local Government Administrators: Employment—the Local Government Response (0206 45212)
l	Sept 13-26	Seatrade Academy: Anatomy of Shipping (0223 35:3451)
•	Sept 15	CBI: Introducing single status employment—what's the difference? (01-379 7400)
	Sept 15	The Henley Centre for Forecasting: Revitalise your market thinking (01-353 9961)
	Sept 16-17	Financial Times: Euro - Korean Symposium (01-621 1355)
	Sept 17	The Economist: International Oil Supplies and Stockpiling Conference (01-839 7000)
	Sept 17-18	Freight Transport Association National Con- ference: Efficiency in the '80s (0892 26171)
:	Sept 21-23	DIBC UK/Tullett and Riley: Foreign exchange and money market dealing (61.788 5126)
!	Sept 23-26	International Bar Association: The future of London arbitration (01-930 6432)
	American and allegations at	

Grosvenor House Htl., London Gleneagles Hotel, Perthshire Cannon Street, EC4 Kensington Palace Hotel, WS

Boston, Mass. Aberdeen Cora Hotel, WC1 Mount Royal Hotel Etiropa Hotel, W1

Birmingham Cambridge Centre Point London Press Centre Brusseis

Wembley Conference Centre Hamburg Great Eastern Hotel, EC2

Waldorf Hotel, WC1 Anyone wishing to attend any of the above events is advised to telephone the organizers to ensure that there has been no change in the details published.

Financial Times Conferences

EURO-KOREAN SYMPOSIUM

Brussels—September 16 and 17, 1981

Opportunities for industrial co-operation between European and Korean partners will be discussed at this major symposium by Mr George H. Turnbuil, Chairman and Managing Director, Talbot Motor Company Limited, former Vice-President, Hyundai Motor Company, and Dr Reinhold Brann, Company Limited, former vice-President, nyundal motor Company, and Dr Reinhold Braun, Vice-President, Siemens AG International Operations.

The delegation of Korean speakers will be led by Mr Suk-Joon Sub, Minister of Commerce and Industry, and 50 Korean industrialists will be attending to meet potential European partners.

WORLD TELECOMMUNICATIONS

London-November 16 and 17, 1981

One on the most important events in the Financial Times autumn programme will be a major conference on "World Telecommunications" to be held in London on November 16 and 17. There is considerable business interest in the potential for new communications services opened up by advances in technology and this conference will consider. The American experience of deregulation;

The British experiment;

The Continental system: Trends in technology.

All inquiries should be addressed to:-The Financial Times Limited Conference Organisation Minster House, Arthur Street

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BUILDING AND CIVIL ENGINEERING

Middle East welcome for world's construction marts

Exhibition, claimed to be the most prestigious event of its kind, returns to the Jeddah Expo Centre for the third time from November 4-10, 1982. Licensed by the Ministry of Commerce for the Kingdom of

Saudi Arabia, the organisers say that next year's exhibition should emulate the undoubted success of its two predecessors held in 1980 and 1981 because, for the first time, the 1982 event incorporates a major municipal services and maintenance element intending to reflect the growing impact of this sector in the Kingdom's development

Kin.

Organised at a time when Saudi Arabia is importing more construction plant and materials, and using more imported services on a per capita basis than any other country in the world, it offers direct and indirect opportuni-ties for companies able to market products and services specifically related to municipal services and maintenance.

Heavy and light construction plant and materials are in dire demand—which attracted a total of more than 800 companies from more than 30 countries to the two residuals are in directly trend, the Middle East Construction Exhibition offers candidates from the international and Saudi construction the two previous exhibitions at industry openings to assume

\$235,000m and the allocations listed below afford wide opportunities to the construction industry, at the same time emphasising the vast scale of projects already under way in Saudi Arabia:

Public works and housing (\$6,386m)
Industrial projects at Yanbu and Juball (\$7,677m)
Water resources, including 37 dams and 29 new desalingtion plants (\$15,000m) New roads (\$11,340m)

Health services, including 36 new hospitals (\$10,476m)
Universities (\$7,420m) Port development (\$7,184m)
Grain siles and flour mills (\$1,450m)

The unprecedented growth in urban development in Saudi Arabia and its Arab neighbours constantly bears heavily on existing water, sewerage, cleaning, maintenance and refuse disposal systems, underlining the need for continued expan-

Recognising the relentless Construction accounts for will become increasingly over \$132m of the Third pronounced.

Bovis in £7m deal

Wiggins Teape's five-year-old Basing- high scheme will be of high stoke headquarters is a project stoke headquarters is a project quality reinforced concrete new office block in Guildford known as Gateway 2, a £7m frame on reinforced concrete Street, Cardiff, will be conbuilding for which Bovis Conpad foundations with a large structed under an £8.8m award struction has been appointed managing contractor.

This has been designed by Arup Associates to take full ATUP Associates to take full Main office floor areas will be the 10-storey, 62 metre high advantage of the sloping site of purpose-designed pre-cast restructure will offer 17,200 and attractive southern views. Imaginative planning includes a landscaped roof terrace and a stepped profile which will hide a large car park at the lower

Concentration on economy and low energy consumption has created office space planned around a large covered area amenity of the building. Personnel will benefit from a badminton court, bars and a restaurant in the central space which is crossed at the upper levels by pedstrian galleries served by glazed passenger lifts. In all, the offices and amenity space will embrace a 139,000 sq

Structurally, the seven-storey element of exposed concrete to a high quality of finish, pledges

Main office floor areas will be inforced concrete floor units which will provide the structural floor, including fire separation, together with the finished exposed ceiling surface intended treatment and purpose-designed lighting system.

Fenestration will be by single which will form the major glazed curtain walling in a external reinforced concrete columns and beams will be dressed with bronze anodized aluminium panels.

The scheme has just started with completion scheduled for Arup and Partners. December 1982, when Wiggins Teape is to sub-lease its adjacent

Construction materials and equipment embrace building materials, building subcontracting, building com-ponents, construction equipment and trucks, instrumentation, mechanical and electrical services, prefabricated units, tools, services and consultancy.

Under municipal services are access equipment, air conditioning and refrigeration, cleansing and refuse disposal, firefighting and security, institutional sup-plies, road safety equipment, road repairs and maintenance equipment, water supply, drainage and sewerage.

The exhibition will be planned and controlled by the Arabian Peninsula's leading organiser, Fairs and Exhibitions of London, and Al-Harithy Com-pany (Exhibitions and Services Division) of Jeddah.

These joint organisers have already worked in concert on three highly successful trade exhibitions at the Jeddah Expo Centre, recently organising a forward programme in Saudi Arabia licensed by the Ministry of Commerce.

Further information in UK from Fairs and Exhibitors, 21 Park Square East, London NW1 4LH (01-935 8200).

Topping out in time

250 people.

Heidelberg UK is an entirely British agency for its

German mother company. Its East End premises were bombed during World War

Warnings

work worth

around £5m

LARGEST OF new projects just won by Warings (Contractors)

of Portsmouth is at J. Sains-

bury at Farnham. This involves

Three other schemes make

up the total of new work and

include an industrial develop-

(£0.75m); and a £4m roads and

sewers contract for an indus-

IN BRIEF

Glenhill Interior Contracts has total responsibility for the

structural planning, design and

which includes all mechanical

and electrical services.

a £2.5m supermarket and multi-

storey car park development.

headquarters was topped out last week at Montgomery Wharf, Brentford High Street. wharf, Brentford High Street.
The company has long outgrown its Eyot Gardens,
Hammersmith, premises, and,
by this time next year, should
occupy a two- and threestorey complex on a site
around which a walkaway
gives access to the Brentford
dock and canal.
The setting alone suggests

The setting alone suggests a Heidelberg UK boating club, and the building boasts British red brick married with prestigious construction techniques to give the onlooker a favourable view, and an imaginative ambiance for those who work within. Lesser, Design and Build has created the design and construction under the firstoff £6m price, with its sister company Glenhill Furnishing

Fronting the High Street are spacious showrooms which will display working examples of Heidelberg presses and other high-quality equipment for the printing industry. A light shaft runs from

beneath the shadows of Concordes and Boeings down through the building to the second floor. Here, a court-yard/patio will brighten the outlook for those working in the wrap-round offices. The new building has a re-

DEBORAH PICKERING inforced concrete frame for **Both McAlpines busy**

change Assurance Company's to Sir Robert McAloine and

Based on piled foundations, square metres of air conditioned floor space. A semibasement will accommodate a car park and there are to be canteens and kitchens served by to incorporate special acoustic five lifts plus a computer suite. Work is to begin immediately

with the excavation of some 16,000 cubic metres to a maximum depth of six metres. Commatching bronze tint and the pletion date is programmed for mid-1983. Architect is Percy Thomas Partnership, quantity surveyor Andrew Roberts and Partners

and consulting engineer Ove AN OVERALL value of £4.5m

ings, nursery factory units, warehouse and canal bridge and link road included in the Sir Alfred McAlpine Group's newly announced awards.

In various stages of finish on the Aquaduct 1 development at ment at Basingstoke (£1.25m); Southall, Dawley, Shropshire, a bonded warehouse for Townsare 196 dwellings for the Telend Thoresen at Portsmouth ford Development Corporation at a cost of some £2.8m.

Three jobs in the north are worth more than £1.75m. Largest project covers three blocks of nursery units on the Croft Industrial Estate at Bromborough (2700,000) for English Industrial Estates, and at Sellafield, a design and build warehouse job for British Nuclear Fuels is worth nearly

Valued at nearly £470,000 the construction of a canal bridge and link road for Runcorn Development Corporation. This involves 680 metres of 6.75 metre wide carriageway with substantial earthworks, and a embraces completion of dwell- 21 metre span bridge.

Go ahead for major fix three-sterey section with steel portal frame for the remaining structures. In addition to the bold red facing brick with coloured mortar is Far East hospital

blue PVC-coated profiled steel. Kong is to proceed immediately with the design of the 1,500 bed There will be generous areas for future expansion above the already enhanced Tuen Mun Hospital which, when constructed, will be one facilities for admin offices, showrooms, workshops and storage, and the building will eventually accommodate over of the largest in the Far East and will cost £42.3m.

Architect is John R. Harris and Partners of Devonshire Place, London, which has already achieved major successes in hospital design profor notable British

Two when its blitz-blown machinery was salvaged and moved to Chertsey to make components for Spitfires! Built to serve the northern part of the West New Terri-tories, the hospital will comprise two-thirds general acute and one-third psychiatric beds, and has been contrived on the Mr Wolfgang Gorth, Heidelberg's managing director, with Mr Cyril Lesser (chair-man) and Mr I. H. David (managing director) of Lesser need to separate the psychiatric beds from the general beds. This purpose will be achieved Group, all made tribute to the accommodating the general construction workforce which has maintained its rigid target throughout an un-usually skittish English

Shepherd secures nearly £4m

THE MAJOR contract in a batch worth over £3.9m just announced by Shepherd Con-struction is a £1.5m award to provide all finishings, lift in-stallations and building services to the existing shell of the Littlewoods Organisation's new chain store in the Queensgate Centre, Peterborough,

At Wootton Hall Police HQ, Northampton, phase 3 of an extension programme has a contract value exceeding £1.4m. This involves a new amenity/ training building and a teaching building, both of two storeys, together with associated services and external works. Shepherd was respontrial development at Southampsible here for building an earlier offices and computer control room project.

Third job is worth over £1m and is for the building of a new Middle School and Community Hall Annexe at Two Mile Ash installation of Taylor Instru-Middle School, Milton Keynes ment's Stevenage office project for Buckinghamshire County Council. This is due for com-

cruciformed main block and the psychiatric bed in another four-storeyed rectangular special block, but linked together by the main entrance lobby and the parking deck. Below the levels of the wards are located the supporting clinical, administrative and engineering facilities, all of which should provide easy access to and from the wards. Medical facilities in the main block consist of general medicine, gynaecology, intensive

obstetrics, orthopaedics, geria-trics, renal dialysis, paediatrics and other specialities Also housed in this block will be the casualty department, a day ward, administration teen, rest rooms, and an attached pathology unit block.

care, radiodiagnostic, surgery,

Cementation in £3m mix

pany, Cementation Construction, announces a £3m award to build a major compressor station comprising construction of the control building complex, and two reinforced compressor housings together with all the associated infrastructure works. This is being built 12 km north west of Aylesbury in Buckinghamshire and completion target is November next

Additional announced by Cementation is provision of the Chapman's Grove railway Bridge for British Rail Eastern to carry the London to Norwich line across the Ipswich bypass at a skew of 34 degrees.

Superstructure has simply supported span comprising two fabricated steel main-girders with cross girders of rolled steel beams encased in reinforced concrete. In situ reinforced concrete abutments have walls which are cantilevered from spread footings, wing walls being aligned to the

Bryant construction Build for Commerce & Industry Midlands.Thames Valley.

Three for

OVER £2m of work for Lelliott supermarket and shops develor ment and offices refurbishment. The company has won three more projects (worth £1m) from fast-food chain McDonald

Golden Arches Restaurants. Work has recently started on a two-storey supermarket and shops development at 246-250 High Road, Loughton, Essex for Allied Suppliers (Properties). This is valued at £1.1m and is due for completion next July. Six floors are being stripped out and refurbished at a new sales office and showroom for

liford at 14-21 Tottenham Street, London, W.1 under a £225,000 project. Fitting out of four floors for Norwich Union Life Insurance is under way at Eastern Road, Romford, at around £240,000.

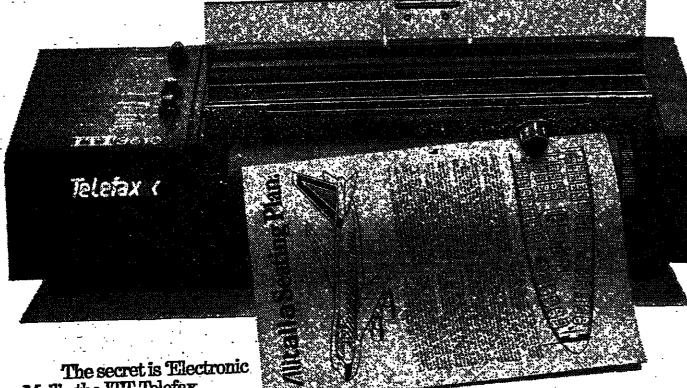
Leech builds new homes

WORK AT Warrington and Telford will create private residential developments under £2.7m's worth won by Leech Homes (North West), Stockport-based sister of William Leech housebuilding group.

More than 50 terraced homes in a series of mews court developments mark a geographical extension of the company's activities at Telford. The Manor Court 2.5-acre site is 30 miles from Birmingham, and the completed units of one and two bedrooms are expected to sell from about £13,500 to £17,500.

At Warrington, just under 100 homes, of different sizes and types, range from £15,000 to £21,500. Leech says this scheme is the first development of its kind in the Warrington area.

How to get a nho to New York in two minus



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UNIT-LINKED

TH

Norwest Helst total capability

John Griffiths takes a broad look at Ford's research designed to cut fuel consumption

Ford tests a gas turbine for cars

applying advanced technology "to the limit of current know ledge," it should be possible to produce a car by the end of the century which uses about half as much fuel as the current European average.

That prediction is from Mr Bob Lutz, Ford of Europe's chairman. And last week, Ford began lifting some of the veils covering its own research efforts aimed at meeting that

The approach being taken by Ford is wide-ranging, from a fleet of cars adapted to run on a variety of fuels, to electric power and other alternative

Among the more notable projects: This month Ford and Garrett AiRèsearch of Arizona began tests of a prototype gas turbine engine specifically for cars. The engine in its final form, installed in vehicles, is expected to be ready for onroad evaluation by 198485. Ford says this could lead to the production of 500,000 gas turbine cars by 1991.

The joint project is being carried out under a research programme organised by the U.S. Department of Energy and NASA (the National Aeronautics and Space Administra-

Ford has been working with Garrett since October 1979, but hitherto has been reticent about

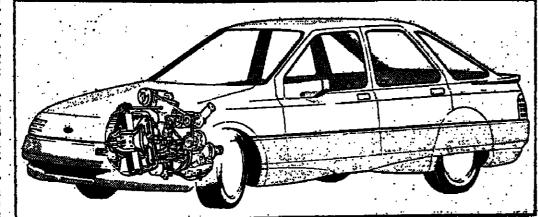
Power output

The turbine is designated the AGT (advanced gas turbine) 101. It is mated to a continuously variable automatic transmission which is computer

Projected performance is an output of 130 brake horse-power with a fuel consumption improvement of nearly 60 per cent over a current typical American 3.3 litre engine matched to automatic trans-

gain inevitably will not look nearly so impressive when set against the smaller capacity engines commonplace both outside the U.S., and, increasingly, within in. The prime attractions of the current prototype, at least—are its versatility in the types of useable fuels and low pollutants emission.

The power unit comprises a single rotating shaft assembly with variable inlet guide vanes. variable geometry combustor,



Artist's impression of Ford's gas turbine vehicle now under development

gas bearings and a ceramic deg C in order to suppress operating at 1,400 Centigrade inlet Centigrade temperature and maximum rotor speed of 100,000 rpm. At least, that is what it will comprise when the third, and final, prototype is completed—planned for 1984.

Ford acknowledges that substantial" design advances beyond those of current gas turbines are required to bring the engine to fruition.

For that reason it is taking a three-stage approach: the unit tests uses all-metallic components with the exception of the ceramic regenerator and has an inlet operating temperature of 870 deg C. Other ceramic components, allowing tempera-tures of up to 1,150 deg C and greater power outputs, will be added in stages. The final version will have an all-ceramic combustion chamber and an expected compressor efficiency of 80.5 per cent at 100,000 rpm. The 13-blade radial turbine has been designed for 90.1 per cent efficiency at maximum power, while the combustion chamber

itself wil operate at about 1.650

nitrogen oxide emission and is designed for low carbon mon-

Efficiency

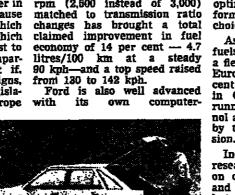
The overall aim of the Department of Energy programme is to demonstrate that a future might exist for gas turbine cars by showing at least a 30 per cent improvement in fuel efficiency over comparable spark ignition vehicles, matched to emission levels within the proposed 1983 U.S. federal standards. Without the reciprocating masses of a piston engine, they should also be very quiet.

The programme is not confined to Ford; GM, for example, is developing a larger turbine. At the moment the turbine's attractions are much stronger in the U.S. than in Europe because of emissions legislation which is far more stringent and which brings a typical engine's cost to roughly three times a comparable European unit. But if, as there are already signs, Europe takes a similar legislative route, a turbine for Europe

becomes more practicable. And Ford says there is no reason why the AGT cannot be downsized point where it is equivalent

In the shorter term, Ford has been using two Fiesta-based cars, code-named FERVs (fuel economy research vehicles) to improve economy, with some of the changes to be incorporated into production Fiestas next

turers, a prime concern has been to cut aerodynamic drag. The revised front bodywork, rear spoiler and roof line changes have produced a claimed cut in drag coefficient by 10 per cent to 0.38. At the same time, engine modifications to produce more torque at lower rpm (2,500 instead of 3,000) claimed



Left: the Ford Fiesta FERV on test; right, its quieter domestic relative

sion for conventional cars, with expected production in the mid-80s. An experimental unit fitted to a Granada is expected to achieve fuel economy gains of up to 27 per cent compared



with existing automatics. The conventional torque converter is dispensed with in favour of five epicyclic ratios and a twin-plate wet clutch. As with transmis-sions being developed by BMW and others, inputs such as en gine load and speed, road speed are computer monitored, and optimum ratio chosen for performance or economy at driver's

As part of its alternative fuels research, Ford now has a fleet of 150 cars operating in Europe on a blend of 15 per cent methanol and petrol, while in California 40 Escorts are running on 100 per cent methanol as part of a study sponsored by the state's energy commis-

Inevitably, much of Ford's research work is concentrated on cutting drag, weight-saving and other individually small, cumulatively significant, operations such as lowering frictional losses.

The potentially more spectacular breakthroughs, such as the gas turbine, might be fur ther off, but Ford stresses that engine, power train and computerised engine management research "is now entering its most exciting phase."

Now you can attach a DIY robot to vour DIY computer

AN OPPORTUNITY to become familiar with programmed manipulating arms — first generation robots—is afforded by the launch of an arm cost-ing about £300 by a new com-pany called Colne Robotics of Twickenham (01-892 7044).

An important aspect of this device is that it can be driven from several of the popular "DIY" computers such as Apple, Pet and ZX81, so that chools and colleges that have acquired such mathines will how be able to design courses that include basic ideas about

Purchased in kit form, the basic arm costs only £200 including the instruction manual. In made up form, the price tises to £270. An additional kit of parts that includes an interface to connect to the computer and software on cassettes costs another £45. Finally, a control box is needed, adding a further £20.

The company believes that the unit will also find application for experimental and light production purposes in industry. It has five axes driven by six stepper motors and the three-fingered gripper at the end of the arm can be con-trolled to a positional accuracy of 0:15 inches over a reach of 17 inches.

Control is by means of a simple open loop and any micro employed. Computer programs in machine code will enable the user to take the robot through held in the computer's memory and repeated as required. The program can be modified as

. The arm can lift masses of up to 10 ounces and the company claims that the system can be made to simulate the movement and speed of a full scale industrial programmed arm. Power required for the arm is three amps from a 12 volt supply. It weighs 8 lbs.
Colne Robotics has several projects in hand to enhance the

unit. For example, soon the standard gripper is to have an



pad for handling sheets of is discussing with the company so ravuint can also be used on

to the microcomputer and so allow closed loop control. Coine claims that the system

alternative pneumatic sucker One large education authority.

How to talk to a computer

using your own telephone

paper. An electromagnetic the possibility of using the manipulator and a small paint device as part of an A-level This is believed to be the

Work is in progress on the first school examination conuse of tactile sensors; these cerned with automation and will provide positional feedback robotics. Other educational/ training initiatives will consider; the device as the centre piece has already created "wide embracing robotics for manage-interest" in the academic field. ment.

GEOFFREY CHARLISH

racking.

storage

shelving;

aisle walkways:

covers

cantilever

steel

shelving and small parts stor-

A new insulating granular mineral from Vermiculite

ALTHOUGH SOME homes have joists placed at regular intervals, many properties have distances which vary considerably between joists causing rrescreen of difficulties when using loft expanded aluminium insulation materials, says Dupre Vermiculite, Tamworth Road, Hertford (0992 52541). It offers a product which is

a natural mineral in granular form and free-flowing so that it completely fills the space between the joists and only needs levelling off to the required depth. Recause there are no loose

fibres or splinters to effect discomfort, Micafil is said to be non-irritant and safe to use without the need for an operator to wear protective lothing or gloves.

The company says it is ideal the easiest material to use when old insulation of any type has to be upgraded to current requirements.

How to insulate Earls Court and similar large halls

INSTALLED TO save heat going through the roof above Acrow Automation the Royal Tournament, Crufts, rock concerts and other stadium events at the Earls Court Exhibition Centre, is an overlay system of insulation and pvc plastisol-coated steel sheet from Cape Universal Claddings.

Heat loss through the 1930s pitched roof has now been re- page fold-out brochure sumduced by up to 90 per cent, marising the company's total

cialist roofing contracrange of equipment.

£435,000 and is part of a major refurbishment and energy conservation programme at the UK's largest covered stadium.

foil mesh

STEMMING FROM an original idea from the Expanded Metal Company and developed over the last three years in collaboration Research and Development and Sigma Coatings BV of Holland (subsidiary of Petrofina) is the Blevex Firescreen system from Blevex, Manor Way, Boreham-wood, Herts (01-207 4484).

Created as an insulating barrier to wrap around steelwork to protect it from the thermal effects of fire, it conaluminium foil mesh, each layer for a first-time insulation yet being coated with an intumescent paint.

The mesh is a stabilising matrix which carries the intumescent coating and forms a flexible sheet material. When exposed to fire or heat, the coating will swell up and effect a carbon char which fills the mesh apertures to form a formidable insulating barrier.

lists its handling equipment

STOPAGE AND materials handling subsidiary of the Acrow Group, Acrow Automa-

tion, has produced an eight-

tor E. R. Dyer of Manchester. This insulation lid is costing

adjustable pallet racking; heavy Compacrow mobile system; lightweight shelving; Acrowsoor for mezzanies and suspended Firescreen of raised storage platforms; Stock 2 cantilever shelving: and the SpaceSaver modular

> age system. Further sections list the company's range of back-up facilities including on-the-spot with John Laing advisory safety inspections and installations services.

Free copies from the company's marketing department, Moorhall Road, Harefield, Middlesex (Harefield 2411).

Medication 'through the skin' to stop travel sickness

WHAT IS claimel to be the first transdermal therapeutic system on the market has heen developed by Alza Corporation, an American subsidiary of the Swiss Ciba-Geigy group.

Known as Scopoderm TTS, it is being launched initially on the U.S. market under the trade name "Transderm-V." will be introduced in Canada later this year and from the start of 1982 the begin marketing in various other countries.

Aimed at preventing nausea and vomiting connected with motion sickness, Scopoderm TTS has as its active agent

lamine. When given in conventional dosage forms, requiring repeated administrations during the day, this is said to cause side-effects due to wide fluctuations in plasma

Application is through a small patch of 17 mm diameter and "as thin as a finger-nail" affixed to the skin. This delivers a minute amount of the drug in a controlled and continuous system directly through the skin into the bloodstream for a period of three days. Scopoderm TTS is attached behind the severai hours before travel and has been made available by NASA to astro-nauts in the space-shuttle

levels. These are obviated by

transdermal dosage.

A monitor for recirculating water systems

DESIGNED TO monitor continuously all factors affecting the water treatment of recirculating cooling systems is a range of units produced by Automated Water Conditioning (Chester). Unit 1. Pinfold Lane Industrial Estate. Buckley, Clwyd (0244 54 5161).

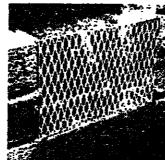
The equipment is compatible with any water treatment programme and allows acid or alkali injection control, inhibitor dosing, automatic bleed control, and periodic dosing of hypochlorite, biocides or anti-

Included in the company's package are a full rance of chemical dosing pumps, feeders, valves, storage tanks and a full

German kneading machine handles tar to toothpaste

PARTICULARLY PROFICIENT for dispersion in substances with high viscosities, and at the same time keeping kneading time to the minimum, is a German instrument produced by Janke and Kunkel, available in the UK from Sartorius Instruments, 18 Avenue Road, Belmont, Surrey.

The laboratory kneader has two blades with a central trough; one blade rotales at twice the speed of the other; the front one wipes material to be kneaded off the back blade.



PARTICULARLY AIMED the refurbishment sector of the building industry, is a new air brick product which should effect cost savings in building renovation and give long-term benefits. Increased airflow prolongs the life of floors in buildings, says Damproof Engineering Services, Furness Vale Industrial Estate. Furness Vale, near Stockport. Cheshire (New Mills (0663) 44824). Special characteristic of the

air brick is its diamond mesh

IT TOOK only a little while for the datacommunications world to realise that the common-orgarden telephone handset was simply a remote computer ter-minal with a communications problem,

Now the list of devices designed to enable handsets to talk to computers lengthens weekly.

The latest, from Gelsco, the UK end of General Electric Information Services Company of the U.S., is a clever twist on the touch tone telephone. The principle of the touch tone system is simple. Euro-

telephones cannot talk easily to computers because utilize stronger-type dialling; dialling computers on the other hand utilise digital signalling, discreet patterns of electronic pulses.

Touch tone telephones (commonplace in the U.S. but only catching on here in Europe) generate a pair of audio tones on the line for each keyboard digit pressed; a computer can

So the telephone user has a simple code for talking to a computer. But what about a Computers might be able to translate a pattern of

squeaks and whistles

humans cannot. The answer was recorded voice response. The computer could be trained to assemble phrases from a pre-recorded set to send an appropriate answer down the line.

Consider a salesman entering his daily salesdata. He has to have a preset format — for example, he taps in a number to indicate a particular product line, and then a number to indicate quantity sold.

If the format is correct, the prerecorded voice says things like "O.K." and "Enter quantity sold now."

In the UK, where there are few touch tone phones, manufacturers have concentrated on developing devices to ape the be programmed to recenise Communications Systems was simple each unique pair of tones and certainly first in the field in the sive, convert them into computer UK, followed a few years ago by

Racal. (Both selling systems, by the way.) The Geisco system is simply tone generator which is coupled acoustically to the handset (see photograph). The answering voice, however

is no longer an assemblage from a set of prerecorded phrases; the development of speaking chips," it is now synthesized from scratch. Of course, if you have a clever touch tone telephone (here at the FT we have the ITT Unimat

4080 system))—even the Geisco signalling device—which costs around £60—is unnecessary If you know the right codes and telephone number, you can communicate with the mighty Geisco Mark III network (largest commercial network in the world, three massive data

centres, nodes in every major city in the Fre World, etcetera etcetera) from your own tele-phone without let, hindrance or ASCH terminal In fact, I've just done it. I dialled the centre number whereupon an unearthly voice requested me to enter my user number. It then informed me that it was a demonstration of the Geisco Telephone Informa-

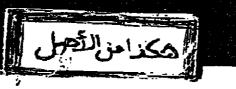
tion Processing (TIP) service. Al this point, I rang off. Seri-ous users would have carried on to do useful work, In all honesty, the voice response generated by the system is awful, resembling a Martian afflicted with a serious mental illness. No doubt Geisco is still using an early version of the speech generation chip. But as a demonstration of how

to talk to a computer, TIP and touch tone keyboard. Menzies other touch tone systems are Communications Systems was simple, effective and impres-

Dunlop. G Plan. Revlon. Berlei...

British Airways. Hotpoint. Kraft...

Kellogg's. Esso. Hoover. Sony...



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ALABLI ARAB B. BANQUE NATION CMON I

Margaret Stroup considers corporate social responsibility to be one of the most misunderstood concepts in any corporation. One reason she suggests is its evolutionary nature.

she suggests is its evolutionary nature.

Tracing the history of the concept, Stroup says that in the U.S. its first, philanthropic, stage began early in the century and continued until the mid-1950s. During this period social responsibility was limited to charitable contributions.

charitable contributions. In the 1950s, when activist pressures started building up, the scope

was expanded to a so-called awareness period when businessmen started to realise that the corporation was an integral part of society and that with size, power and influence came a direct responsibility to the community.

During this period many corporations began to get more than the period many corporations began their services.

munity. During this period many corporations began to get more deeply involved in community affairs, for example offering their services and expertise in a variety of ways. However, in the late 1960s many corporations were seen to be associated with many social ills. In spite of this a Harris national poll in 1968 revealed that 68 per cent of Americans thought that business was doing a "good job." Yet Stroup believes this was a "real landmark" in social responsibility because businessmen "reacted with horror" to this statement. They asked themselves: Why only 68 per cent? she says.

During the next 10 years most of the major controlling legislation (environmental and consumer protection) was passed. By 1976, a similar Harris poll revealed that only 15 per cent of the population gave the business community a favourable rating.

gave the business community a favourable rating.

It was then that Monsanto, and a few other companies, decided to

extend the concept to what Stroup calls the corporate responsiveness

stage-" where we're at at the moment."

Reacting to the social pulse

Arnold Kransdorff reports on Monsanto's policy of giving back some of what it takes from the community

AS PART of their day-to-day activities, 120 employees of a major U.S. multinational rest their feet on their desks and flick through selected fringe publications like "Working Woman" and handout sheets from activist groups.
Occasionally their eyes light

up. Out comes a pair of scissors and the article is clipped. They scribble an accompanying comment and despatch the cut-ting to Margaret Stroup.

A senior manager with the A senior manager with the giant chemicals group, Monsanto, Stroup says her objective "is to identify growing social pressures and pick up the issues before they get full blown." With this information the company on the registry its the company can then adjust its corporate strategies in good accommodate the changing expectations society, she claims

Stroup's job is to oversee an unusual management function connected with "social responsi-Although still a rather vague subject, social responsibility in Monsanto—as in many other U.S. corporations—is far broad-ranging than in most European companies, where it tends to be equated with philanthropic causes such as donations to charity, education and the arts. On both sides of the Atlantic, Monsanto is considered one of the world's leaders in social responsibility policies and its activities are being watched with interest.

As director of social responsi-bility, Margaret Stroup controls her company calls—in Americanese — the Issues Management System.

In simple terms, this means that Monsanto has developed a number of sources.

To most European companies.

the concept of social responsi-

bility means giving money away to charitable or worthy

causes. For Monsanto, along with many other U.S. com-

panies, it goes much further.

responsibility for:

• worker safety

health

doing so.

To them it also means a

the progress of women and

environmental and worker

energy conservation, and

communicating with the

would treat these issues

separately. Monsanto groups

them all under the one

umbrella, claiming that there

are trade-off benefits from

A top management commit-tee, the Social Responsibility

Committee, is responsible for

also co-ordinates the work of

Committee and the Monsanto

Fund. It is this fund which

deals with philanthropic con-

tributions. In Monsanto's

case these are extensive, taking in donations in the

fields of health and welfare.

Environmental Policy

Most European companies

formal approach to monitor changing external forces. "In this way we are able to respond to the changing demands that society makes of business, in a non-defensive manner," says Stroup.

So far the company has identified more than 100 "issues" on which action could be taken. Of this a total of 10 have been chosen as a matter of high priority—and all are now receiving top management attention.

Top management's involvement is not just a matter of fine words, in contrast with many European companies. John Hanley, Monsanto's chairman and chief executive, has secured senior management's real involvement via the three related management committees which been established to deal with the subject. All of them, including a Social Responsibility Committee, are staffed by senior executives at or near vicepresident level.

Hanley, the company's main exponent of social responsibility, admits that it is fashionable for corporations to talk about how socially responsible they are. "Ironically, true social responsibility is not highly visible. Effective social responsibility will be an attitude which extends from the board-room to the boiler room." The company backs this up with a policy statement that "social responsibility means more than compliance with legal requirements.

Stroup's system begins with the collection of the so-called "issues." This is done via a

education, youth and the arts.

In any one year, the number of beneficiaries totals more

In Monsanto's words, "as

the communities support the

corporation, so Monsanto feels a responsibility to

support worthwhile causes."

In 1980 the company distri-

buted \$6.4m to these "worth-

while community causes." This is equivalent to 14 per

cent of the average of the

three prior years' pre-tax profits; because of the 1980

profit slump, last year's ratio soured to 3 per cent.

As a matter of policy the

company is planning to give

away up to two per cent of

profits—a figure substantially

more than that set aside by

even the most generous of UK

Apart from a genuine

than 1,300.

profits:

companies.



Monsanto's plant at Newport, South Wales, where the company agreed to establish a buffer zone between

"We've identified about 100 publications worldwide that get involved with issues before they get talked about in the major media," says Stroup. "We have volunteers inside the company, such as lawyers, scientists, engineers and secretaries, who are trained how to scan, and pass on the information."

Stroup also gets titbits of information from sources such as business consultants and universities. In the latter case three

on information about, for formation on, say, changing example, student attitudes. Elsewhere Stroup also gets information from Monsanto's

Washington office, where eight employees spend their time lobbying Government. often provide an "early warn-ing system" on a variety of issues, she says.

Monsanto's many employees who deal directly with suppliers and consumers. 'They can often feed back in-

three. Stroup passes them to a sub-committee of the SRC called Another source of data is the Issue Identification Committee, made up of 12 senior executives. They in turn scrutinise the material and identify

what they think are the most important issues. Certain of these issues are sometimes considered too urgent to wait for the year-long process to end. In this case the committee is empowered to bring them to the attention of top manage-

ment as soon as they surface.

Lobbying

demographic trends.

After analysis, all this in-

At the end of the year the issues become ready for ranking by the committee. In 1980, from 07 issues, 10 were selected as being most important to the corporation, and these were pre-sented to Monsonto's main board in February this year along with suggestions of potential responses by management. incording to Stroup, none of the selected issues was a major surprise; they concerned subjects such as competition, tech-

nology, redundancy, and infla-One "issue" concerned the apparent growing influence of state and local government in

Stroup explains that legislation enacted by individual states has often been taken up by the Government and become federal law. Recently state legislators have increased their control over a wide range of business affairs and this could possibly result in local laws which are more restrictive than federal laws, or even contradictory, she

In response to this Monsanto has decided to bring together all its people who deal with State governments "and develop a tactical plan." This could lead to a more sophisticated management system to monitor all state legislature for issues that could affect the corporation, and an expansion of the corporation's Another identified issue con-

employee health will place insing demands for disclosure of information on the corpora-tion," says Stroup. Among the ramifications of this issue will be "continued adverse public reactions as health hazards are discovered and related to the

cerned employee health. "A

Stroup says this could lead to demands for increased participation by employees in decisions affecting occupational safety and health; also recent attention to genetic screening by major chemical companies could spur a more intensive programme of outside study of previous employees' health records and lead to increased pressure for access to medical

To anticipate the issue, Monsanto has implemented a review of its preventative health and safety standards. It is also embarking on an educational programme to make employees more aware of existing safeguards.

Another issue concerned increased activity by international organisations such as the United Nations to monitor the behaviour of multi-nationals. Developing countries formation, including the Press clippings, is divided into a were also putting extra pressures on multinationals: for exdozen separate categories ample many host countries were pressure groups, environment becoming less flexible about alissues and health, to name lowing the repatriation of funds and the maintenance of patent protection was becoming more

Stringent

As a result Monsanto has started a review of its Codes of Conduct to ensure that they are more stringent than requirements; they will continue to be monitored so as not to fall

Stroup stresses that no group of managers could ever reach full agreement on all aspects of the final selected issues. But they do represent a collective judgment, she says.

Monsanto first set up a mechanism to respond to a social issue in 1979 when the chief executive asked the SRC. to look at the corporation's main board structure.

Like his counterparts in other major U.S. companies, he had detected a feeling within the community that a growing body of people believed that executive directors, because of their isolated position, were "self-serving, and didn't have the benefit of outside exposure —they were talking to each other rather than understanding societal viewpoints; in other words a group of white males on the old boy network were manipulating corporations well-being of employees and the

community.' In response to Hanley's initiative the committee set up a strategy resources group of top managers called Corporate Governance. After six months of investigation the group made its recommendations — all of which have been implemented.

As a result—again in common with other corporations—Mon-santo's main board emphasis has been changed to incorporate a majority of outside directors; they now number eight of the 15-man board, compared with six before the changes. This new emphasis is also reflected on the board's audit, executive compensation and finance sub-committees.

First Commercial Bank **Opens Its** Representative

Office in London

JULY 27th, 1981

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consciously awarded a \$61m reinsurance contract to a

How 'responsibility' costs 2% of profits

desire to "give back some of we take santo executive put it-one reason for this generosity and preoccupation with the whole subject may be that the company makes a controversial product—chemicals.

Though most are harmless and beneficial, others can be extremely toxic—as in the case of Agent Orange, the chemical defoliant used in Vietnam

As part of the overall concept of social responsibility, Monsanto includes the issue of minorities and female advancement, and it has set itself the goal of having a "highly visible" representation of these groups in its labour force by the end of

So far "minorities and women," as Monsanto puts it. make up almost 9 per cent of all management employees and a fifth of all professional Monsanto also supplies

experts to provide advice for minority businesses. The company claims to support independent minority business ventures—purchases from such companies totalled \$27m in 1980. Deposits in minority-owned banks topped \$41m while the company

On the environment, health and safety, Monsanto spent \$65m in 1980 on capital costs and \$186m in operating costs

insurance

minority-owned

to ensure compliance with its own and government standards. The company points out that in many parts of the world its own standards go beyond the requirements of local laws.

Part of this includes an industrial hygiene audit programme to determine how effectively individual plants are meeting the company's own standards, as well as those of governments.

One example of an environmental project coneerned protecting local resi-dents near the company's at Newport, South Wales, from potential chemi-cal hazards. A buffer zone was created, and Monsanto agreed not to manufacture or store any hazardous chemicals in a 75-acre area, nor allow any building development there.

The company also considers the conservation of energy raw materials as a socially responsible activity —as well as an economic necessity. In 1980 the company estimates that its energy conservation pro-grammes have resulted in cost savings of £141m.



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Business courses

Executive Secretaries, London, September 14-16. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2

Zero-Base Budgeting, Brussels. September 7-9. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium

Integrating Advance Office Automation, London, September 10-11, Details from the Yankee Group, Regal House, Lower Road, Chorleywood, Rickmans-worth, Hertfordshire WD3 5LQ

per person, £67 per couple. Details from the Short Course Unit, Polytechnic of Central London, 35 Marylebone Road, London NW1 5LS

Slough. September 14-October 2.
Fee: £750 (plus VAT). Details from Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berkshire SL1 3PF

Appreciation Analysis and Design, Worthing. September 7-8. Fee: £175 (plus VAT). Details from Course Road, Chorleywood, Rickmansworth, Hertfordshire WD3 5LQ
Working and Living Abroad,
London. September 9. Fee: £42

WALL. Details from Course Registrar, MSS Computer and Business Consultancy, MSS
House, 54 Chapel Road, Worthing, West Sussex BN11 1BE

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Sterling target needed now

BY SAMUEL BRITTAN

he heard on the sterling rate been lost. complained that it was too high. this view was now evenly let borrowing rates rise so soon

If the "basket" rate were to be eroded. The CBI's desire for Terence Beckett should not be hysteria.

Occasionally I am asked how I reconcile my present advocacy of an exchange rate target with previous writings on monetary targets and free floating. This is a bogus dilemma if ever there was one. Economic commentaries have to be written at different levels—sometimes in terms of how best to run a railroad and sometimes in terms of how to make the best of the railroad management we actually have. My own first preference. explained in my IEA booklet, How to End the Monetarist Controversy, is for a final target for luck. targets for the money supply and the PSBR as means of achieving this.

But this is not what we have. There are no credible monetary or PSBR guidelines. The heavy overshooting of both targets in 1980-81 has been followed by a further financial year in which they have, so far, been over-shot again because of the Civil Service dispute; and the buildup of residual overseas currency balances, outside Sterling M3, makes the monetary figures

In fact, the main mechanism which has brought down both the growth of money GDP and of inflation, in spite of the overshooting of the monetary targets, has been last year's high exchange rate. The final 10 per cent of sterling's rise may have been too much of a good thing; but if sterling were to fall stagilation.

BBC 1

† Indicates programme in

IN A written answer on July 2, much further than it has al-Sir Geoffrey Howe, the Chan-ready, the agony, of the recescellor informed the Commons sion will have been for nothing. that whereas a few months ago may remain, but the favourable Some of the productivity gains nearly all the representations impact on inflation will have

The politicians' reluctance to

balanced by another group after the urban riots, when no maintaining that sterling was convincing upturn from the recession is yet in sight, is understandable. But this is just the occasion to use some of the fall much further, hope of \$28bn of official reserves to buy achieving single figure inflation time. Now that there is conwould disappear. Not only clusive evidence of the Ameriwould there be the obvious can recession, which some of impact on the cost of imports; us have been predicting for but the influences on companies several months, the U.S. to settle in low single figures interest rate downturn may not in the next wage round would be all that far off. A few extra weeks may also clarify domesa lower exchange rate is charactic prospects and reduce a teristically inflationary and Sir little the present political

Intentions

If it is official policy to try to maintain the trade-weighted sterling index in the 90 to 95 region there is everything to be gained by saying so openly. One of the few ways in which goveruments can influence events for the better is by informing market participants of their own intentions.

This was the perfectly valid argument behind the Medium Term Financial Strategy. Because of a mixture of bad troversy, is for a final target for luck, blunders and mis-Money GDP, with intermediate calculations, the monetary numbers in that strategy no longer carry conviction. But market participants certainly look at exchange rates and take very seriously any signs of official intentions there. Wage bargainers may not talk in learned detail about the currency basket, but they are very quick to pick up any hint that currency depreciation will bail them out of the consequences of inflationary

What is being urged here is not a commitment but a target rency basket. There can be no guarantee it will be achieved. only an indication that the Government will try and that different story. the target will influence financial policy. If this is putting ministerial prestige at to hug the inside berth throughstake, it is a small price to pay out on Mr Joel's colt and, had for a chance of emerging from that been the case on Saturday.

All Regions as BBC1 except

BBC Cymru/Wales — 1.30-1.45

pm Dan Draed. 5.55-6.20 Wales Today. 6.50-7.20 Heddiw. 7.20-8.10 Hen Lwybrau Hud. 12.05 am

develop a new doctrine or reverse an old practice they do so less comprehensively than

Parliament. But judges are acutely aware that if they do. introduce a new rule of law they do so only in the context of the instant case being litigated, or at best through a series of cases raising the same issue. They cannot, as the legislature can, survey the whole field and legislate for all foresecable eventualities that may arise in the particular branch of law. Courts in the past introduced

make law, even if when they

new rules whenever they thought they were required to do so in the interest of justice or because public policy dictated it. In former times when Parliament was much less productive and the statute book a good deal more slender, change by judicial legislation was unavoidable if the law was not to be allowed to stagnate. Now, although Parliament is often dilatory in getting round to legislating, the courts tend to hold back from law-making in the confident (if misplaced) knowledge that Parliament is the proper forum for law

Even the most creative and individualistic judge can hardly

that judges do in some sense Parliament is the supreme and superior source of law. Lord Radeliffe once wrote that "we cannot run the risk of finding that archetypal image of the judge confused in men's minds with the very different image of the legislator," the risk being that of destroying the mage of the judge as an objective, impartial, erudite and experienced declarer of the established law. The perennial question is, what are the proper boundaries of parliamentary law-making and judicial innovation?

> Judges are never slow to hint broadly that Parliament should act, but sometimes the legal problems recur in the courts while Parliament slumbers. With the increasing burden of legislation there is a danger that the law will lag too long behind the times if the judges will not shoulder some of the legislative burden by judicial law-making There are complaints that

judges overdo the gospel of self-restraint. What is needed is a more discriminating approach to judicial creativity. an awareness that there are and always will be important lawmaking functions for judges. The past six years have witnes-sed one classic example of both judicial activism and the pitfalls

FEW PEOPLE nowadays doubt deny the fact that an Act of of judges making new law. veloped what has become epony-Until then it had never been cent

the courts' activism and the in- applying mously the Mareva injunction, herent problems that innoparties who face tify the practice of the English court orders in respect of courts to freeze assets of a their customers encounters, bank. tor obtaining a judgment debt for the first time to the court against him or, more important, en masse to ask for some limitdebtor's assets. The practice of injunctions. While they acknow-

THE WEEK IN THE COURTS

Mareva: the limits of judge-made law

BY JUSTINIAN

taking action to preserve the ledged that the orders were debtors outside the jurisdiction has certainly existed in many foreign (especially European) hands of creditors pursuing their debtors' assets and freezing them. The typical Mareva injunction contains an order re-straining banks from disposing monies emanating from the bank accounts of their customers who are the hunted

On Friday some of the problems of such orders were high-

assets within the jurisdiction of necessary if the courts were to provide real assistance to stop the antics of wrongdoers, they claimed that the infant prodigy was in danger of becoming a courts. The Mareva injunction pest unless the courts put some became a favourite toy in the brake on the breadth of judicial hands of creditors pursuing powers. Although Mr Justice Vebster claimed no more for his judgment than a recitation and perhaps an elucidation of the practice of the courts these past six years, his guide to the legal profession and their banking clients represents both the ambit of judicial law-making and its incompleteness.

The judge made four separate points that affect those applicants for a Mareva injunction

the to their branches and thousands of excess of the court order under accounts. Second, the applicants the Mareva injunction. will always be required to give. an undertaking, or provide some security, for the reasonable cost -

Third, the applicants will ordinarily be required to identify every account and every branch of every bank that it is sought to be affected. This may be a daunting task for the applicant. But the judge felt that as a matter of principle the applicant must be responsible for the consequences of obtaining more protection than is strictly required. To over-reach the freezing operation would be an intolerable imposi-

The fourth point raises the most difficult aspect of the Mareva injunction as it affects banks. The applicants must

tion upon the banks.

Webster delivered a judgment who want to freeze bank they are seeking to freeze. It In June 1975 the courts de- indicating both the benefits of accounts., First before even is not right that the banks courts should have to exercise any the applicants should iden-judgment on the extent of the tify the particular bank restraint placed upon the opera-account of each branch of a tion of a customer's bank This will enable the account. The banks would in debtor in advance of the credi- The clearing banks came bank, when served with the any event be bound to honour order, to know exactly what it any cheque on a cheque card. is they must act upon, and not which was presented for payto restrain disposal of the ation upon the terms of Mareva lead them to make a search ment, and to debit the account. (perhaps fruitless) through even if such action would be in-

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The more the judge delved into the ramifications of banking practice, the more apparent and expense of any bank it became that he was turning search. Some estimates of the himself into both a one-man cost that were given to the committee to recommend the judge might prove prohibitive. practice to be adopted and then a single-handed legislator. There are thus manifestly limits to what the courts can do. The Mareva injunction is one of the most useful instruments devised by the courts in modern times to deal with international rogues, but the time has come. for the legislator to step in and define the limits of the new remedy. It should be possible to do it all by delegated legislation; the sooner the better.

In last week's Justinian the I Congresso del Partido footnote reference was incorrect. It should have been Times Law define unambiguously what it is Report, July 18 1981.

Risky route for great Shergar

best of the young jockeys." in Lester Piggott's view, was by no means at his tactical best in Saturday's King George VI and Queen Elizabeth Diamond Stakes. In fact, it is probably fair

to say that he took an astonishing risk in electing to stick on, or near, the inside rails approaching the short home straight at Ascot when it became apparent that his £10m mount, Shergar, could be blocked by a wall of horses. As things turned out, the

worries proved unjustified. However, had Piggut's own mount, Light Cavalry (clearly ill at ease on his suspect forelegs) not rolled away from the rails coming out of the home turn it might well have been a

In normal circumstances Piggott would have been able with Greville Starkey and com-7.25 Return Call to Brass

7.40 Under the Weather.

They're Playing

9.00 Sing Country: Johnny Cash.

10.45 Newsnight. 11.30 †Film: The Laurel and

Hardy Murder Case.

LONDON

Search for the Persian Royal Road, 10.30 Tales of Washington

Hayward, Michael Craic. 4.15 Road Runner. 4.20 Runaround. 4.45 Scarf Jack. 5.15 History of

8.00 Sorry, I'm a Stranger Here Myself.

9.60 Quincy. 10.00 News, Thames headlines.

1030 Hammer House of Horror,

12.25 am Sit up and Listen, Dilys Powell.

All IBA Regions as London

9.40 am The World We Live In. 19.06 Young Samsay. 10.56 Strongy. 11.20 Pro-celebrity Snogtor. 12.30 pm Home and Design. 1.20 Anglia News. 2.00 Film: "Odd Man Out." James

a we rum. Odd Man Od: "James Massin, Robert Newton Robert Beatty 5.15 Worzel Gimmidge, 6.00 About Anglia, 6.30 Survivi, 10.30 Abglia, Reputs, 11.00 Mator-cycle News, 11.30 Ammer House of Horror, 12.30 Amstellection.

ATY'

9.40 am The Sandcastle. 9.55 Profile-Gene Wilder. 10.20 Think Ahead. 10.45 Target Bowle. 11.10 Young Ramay. 12.30 pm Home and Design. 1.20 ATV News 2.00 IThnilar. Sezen Days to Noon." 3.45 Our Little Youn, 5.15 Worzel Gunundge. 8.00 ATV Today.

(S) Stereophonic broadcast † Medium wave

5.00 am As Radio 2. 7.00 Mile Reiz.
9.00 Simon Bates. 11 00 Andy Peobles.
Roudshow. 12.30 pm Newsbeat. 12.45
Paul Burnett. 2.30 Dave tee Travers
4.30 Peter Powell, 5.30 Newsbeat. 7 00
Stayin' Alive 8.00 Richard Skinner.

8.55 am Weather. 7.00 News. 7.05
Morning Concert. (S). 8.00 News. 8.05
Morning Concert. 9.00 News. 9.05
This Week's Composer (S) Ravel. 10.00
Delme String Quartet. (S) recital. 11.45
English Songs. (S): recital. 12.25 pm

RADIO 1

10.00 John Peel (S).

RADIO 2

RADIO 3

except at the following times.

Fights of the

the Motor Car.

5.43 News. 6.00 Thames News.

6.35 Crossroads. 7.00 krypton Factor.

8.30 World in Action.

Seventies.

9.30 am Larry the Lamb. 9.40

Tacks,

8.05 Secret Army.

9.50 Eruss Tacks.

no favours, Swinburn offer might well have found himself asking Shergar to make up an impossible amount of leeway through a late switch to the

All in all it was difficult to understand the reasoning behind Swinburn's tactics in

RACING BY DOMINIC WIGAN

Saturday's £143,000 added race in view of the fact that Shergar had previously always been asked to win his races from some way out. He had proved outstandingly good at that job. If Swinburn's main aim was

by taking the shortest route on or near the inside rails, the decision to try to conserve energy at all costs must also be questioned. For the young jockey had been adamant right 10.30 Years of Lightning: 1967—Crucible of Resistance.

BORDER

9.35 am Lost Islands. 10.00 Profile: Gregory Peck. 10.25 Chapper Squad. 11.10 Thunderbirds. 12.30 pm Home and Design. 1.20 Border News. 2.30 Film: "The Purple Plan" 4.15 Run-

uround. 5.15 Worzel Gummidge. 6.00 Lookaround 5.15 Spare Time. 6.30 Pererborough Festival of Music. 11.30

CHANNEL

12.30 pm Home and Design. 1.20
News, What's On Where 2.00 Film:
"San Francisco," Spencer Tracey,
Jeannette MacDonald 5.75 Worzel
Gummidge 6.00 Channel Reports 6.10
Chopper Squad. 10.28 News. 11.30
Years of Lephtning: 1967—Crucible of
Resistance. 11.59 News and Weather
in Franch

GRAMPIAN

GRANADA

9.30 Evolution 9.50 Cool McCool 10.15 Tarzan 11.00 Secame Street 12.30 pm Home and Design. 1.20 Grahada Regorts 1.30 Music from the Flags 2.00 Film. "Damblecross." Saye Compton, Donald Houston, 3.15 The Prince in Wales, 5.15 Worzel Grammidge 5.00 Granada Reports 11.30 Years of Lightning. 11.59 George Humilton IV.

HTV

9 45 am Survival. 10.10 Fung Face. 10 35 Out of Town. 11 00 Sesume Street 12.30 pm Hame and Design. 1.20 HTV News 2 00 Catioon 2.15 Fung "I V/II Fight No More For Ever,"

SCOTTISH

930 am The Prince in Wales. 10.20 Adventure Time. 10.30 England Their England. 1055 Lost Stands. 11.20 Pro-celebrity Snooter. 12.30 am Home and Desern. 1 20 News 2.00 Film. "The Battle of the River Plute." John

BBC Scottish Symptony Orchestre (S):

concert. 1.00 News 1.05 Cuntert (5) 150 Jorg Demus (5): rectal. 2.40 Matinee Musicale (5): concert. 3.40

Motinee Musicale (5). Concert. 3-49
New Records (S). 455 News. 5.00
Mainly for Pleasure (S). 7.00 Troubled
Pertnership. Churchill and Eden. 7-30
Proms 81 (S). 8.25 The Festival Scene
in America First of a ne programmes
in which Bernard Levil reports from
music festivals in the U.S. 8-45 Proms
81 (S). 9.35 A Buch Family Wedding

(S) concort. 10.30 Jazz n Britain (S). 11 00 News. 11.05-11.15 Granados (S) VHF only—5.55-6.55 am end 11 15-

6.00 am News. 6.10 Farming Weck. 6.25 Shipping Forecast 6.30 Today. 6.45 Prayer for the Day. 7.00, 8.00 News. 7.30, 8.30 News. 7.45 Thought for the Day. 8.35 The Weel on 4, 8.45 John Ebdon, 88C sound archives. 9.00 News.

3.40 5.**00**

equally determined to up until the off that Shergar class above the was a remainder.

The race proved him so and many will regret the fact that the normally astute 19-year-old rider did not take a less chancy route on the outside in a seven runner field, and allow the Aga Khan's great colt to put the opposition in its place from further out.

Some 45 minutes before the big race Shergar's young stable companion. Circus Ring, stamped herself a filly of tremendous potential when galloping away from her eight opponents in the Princess Margaret Stakes. There has seldom, if ever, been an easier two-year-old winner NEWCASTLE

2.15—Trish Grenadier*** 3.15—Ski Run BATH -Erotas** 3.00-Blackbrook Melody*

3.30—Brave The Reef 5.00-Heighten

Gregson, Anthony Queyle, Peter Finch. 5.15 Worzel Gummidge. 6.00 Scotland Today/Crimedesk. 6.30 Mork and Mindy. 10.30 Golling Greats. 11.00 Late Call. 11.05 Hammer House of

SOUTHERN

9.30 am Lionel Hudson. 10.30 Adventures of Niko. 11.00 to Village, un Village. 11.30 George Hamilton IV. 12.30 pm Home and Design. 1.20 Southern News. 2.00 Houseparty. 2.25 Y/alt Disney Classics. 2.40 Sunstruck, Harry Secombe. 5.15 Worzel Guminde. 6.00 Day by Day. 11.30 WKRP in Cincinnati. 11.59 Weather, Peter I. 1.30 Charten Cincinnati.

TYNE TEES

9.20 am The Good Word. 9.25 North First News 9.30 Untermed Frontier. 9.55 The Beachombers. 10.15 The Bealies. 10.25 Mumbly. 10.35 Sting-ray. 11.00 Sesame Street. 12.30 pm Beatles, 10.25 Mumbly, 10.35
Beatles, 10.25 Mumbly, 10.35
ray, 11.00 Sesamg Street, 12.30 pm Home and Design, 1.20 North East & News, 2.00 Film The 25th Hour, 5 Anthony Quinn, Virna Lisa 4.15 Cartoon, 5.15 End of Part One 6.00 Fast News 6.02 Sale of the Northern Lile 10.1 GRAMPIAN

9.45 am First Thing 9.50 The Prince
in Violes 10.40 At Occurry, 11.05
Call ft Macaron 11.30 Rodey's Bird.
12.30 pm Home and Design 1.20 North
News, 2.00 ff.im "David Copperfield,"
Suson Hampshite, Richard Attenborough, Laurence Olivier and Edith
Evans 5.15 Vioraet Commidge, 6.00
Summer at Six 5.35 Out of Town
11.30 Years of Lightning: 1967—Crucible
of Resistance, 11.59 North Meadlines North East News 6.02 Sale of the Century 6.25 Northern Lile 10.30 North East News 10.32 New Avengers.

11.30 Years of Lightning 1967 — Crucible of Resistance 11.59 Marriage.

12:30 pm Home and Design. 1.20
Linchtime. 2.30 Film: "Cardboard
Covalier. Marganot Lockwood. 4.13
Uliter News. 4.45 Cell it Macaron.
5.15 Worzel Summidge. 6.00 Good
Evening Ulster. 6.30 Here's Boomer.
10.29 Weather. 10.30 The Irrish Factor.
Irish songs of Jaith. 11.00 George
Hamilton IV. 11.30 Bedtime.

WESTWARD

9 35 am Sesume Street. 10.35 Lost Islands. 11.00 Summer Sport. 11.55 Wattoo Wattoo 12.30 pm Nome and Design. 1 20 Westward News. 2.00 fFilm: "San Francisco," Spencer Trocey. Jeannette MacDonald. 4.12 Gus Honowhun's Birthdays. 5.15 Worzel Gummidge 6.00 Westward Diary. 10.32 Nows. 17.30 Years of Lightnes: 1967.—Crucible of Rosistance. 11.59 Faith for Life 12.05 am Weather. Shipping Foresaust. 1.20 HTV News 200 Cattom 2-15
Sum "I Will Fight No More For Ever,"
5.15 Worzel Gummidgo. 6.00 Report
Viest 10 28 HTV Viest. 11.30 Years
of Lightaing. 1957—Gracible of Resistance. 11.59 Weather
HTV Cymru/Wales—As HTV orcept:
11.59-12.10 pm Finisbalum. 1.30-2.00
Hamisten 4 45-5.15 Ser 6.00-6.25
Y Dydd. 6 25-7.00 Report Wales. 8.309.00 Yr Vighnos. 10.30-11.00 The
Questors. 11.00-11.30 South Wales.
Felio Sepaler Tournament.

YORKSHIRE

9.30 am Sally and Jake 9.40 World We Live In. 10 05 Terret Bowls. 10.30 Adventures of Niko. 11.00 The Art We Deserve 11.55 Wattoo Wattoo. 12.30 pm Home and Design. 1.20 Calondar News 2.00 tFilm: "The Sound Earrer, Ralph Richardson. 4.00 Neer Here. 5.15 Worzel Gummidge. 6.00 Calendar 5.35 Happy Days. 10.30 Clegg's People 11.00 Years of Lightman; 1967 — Crucible of Resistance. 11.30 Sounds of Summer.

nmq: 1967 — Crucible of 11 30 Sounds of Summer.

cast 5.55 V/esther, programme news 6.00 News. 6.30 News Quiz (\$) 7.00 News 7.05 Archers. 7.20 Start the V/eak with Richard Saker. 8.00 Monday Play (\$). 9.30 Kaleidoscope 9.59 V/esther. 10.00 The World Tenight. 10.30 Science New 11.00 Book at Bodhimo. 11.15 The Financial World Tonight. 11.30 Today in Parliament 11.59 News. 12.15-12.23 am Shipping Infecast. Inabore waters forecast. lorecast, inshore waters forecast. BBC Radio London

9.03 Morning Star. 10.03 Robbis Vincont Tolephone Programme 12.30 pm Londog News Desk. 12.40 Total Music Show. 2.30 Tony Stackburn. 6.00 News. 5 15 Music on the Mové. 6.33 Inside London. 7.03 Black Londoners. 8.00 As Radio 1 10.00 Question Time. 17.00-5.00 am Join Radio 2. London Broadcasting

6.00 am AM. 10.00 Brian Hayes, with Speciator columnist Jaffery Barnard. 11.59, 2.00 pm, 4.00 LBC Reports 7.00 London Life. 9.00 Nightine. 17.58 LBC Roports. 1.00 am Night Estra. 3.30 LBC Cinoma 4.00 After Eight. 5.00 Morning Music. Ebdon, 8BC sound archives, 9 00 News.

9.05 Start the Reval Wedding Week with Spectator color with Richard Baker. 19.00 News. 10.02 A Small Country Living. 10.30 Daily Service. 10 45 Morning Story. 11.00 London Life. 9.0 News. 11 05 Down Your Way, 5t 3.30 LBC Cinoma Paul's Gathedral. 11.50 Weigh-in. 11.55 5.00 Morning Music. News 12.02 pm You and Yours. 12.27 The Jason Explanation (51. 12.55 Meether, programme news. 1 00 World.

The Jason Explanation (S1. 12.55 Weather, programme news. 1.00 Varid at Ons. 1.40 Archers. 1.55 Shipping Sprecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S1. 4.35 Smic. Ageinst the Landon Tought. 8.30 Aian Fraemen. News Magazine. 5.50 Shipping Fore-

LYRIC S. CC. 457 3586. Gra Sales 379 6061- Previews from S. August at 8.30. Opens, Aug 11 at 7.00. John Standing. Estelle Kohler, Hugh Lloyd in Noel Coward's TONICHT AT 8.20.

LESSER GOD.

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OLIVIER (open stage: Ton't Tomor 5.00 (note early start), MAN AND SUPER. MAN (lothding Dom Juan in Hell) by Bernard Shaw.

LYTTELTON (proscenium stage) Tom't.

Tomor 7.45 MEASURE FOR MEASURE by Shalespeare.

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ACROSS 1 Parting words don't go wrong (2, 4)

4 City retreat for cake (6) 8 Strange gent without air force to incorporate (7) 9 Introduction printed before features (7)

11 Meet invitation to join the other side (4, 6) 12 Has love letter three points?

Constitution for professor of church music (5)

Lipset fuolballers associated with forward insult (7)

Dance movements sickening sailor (4, 1, 4)

Myraid left for lady to embrace (9)

Danced away or recited finently (6, 3)

Fruit in shell outside (9)

Doctor taking southern spurity

Position for professor of church music (5)

ERADIO 2

5.00 sm Steve Jones (S), 6.15 Pause for Thought. 7.30 Torry Viogan (S).

8.33 Racing Bulletin. 8.45 Pause for Thought. 10.00 Jimmy Young (S) 11.59 lonn Dunn (S). 1.45 Sports Desk. 2.00 Ed Stewart (S), Family Fevrountes. 2.45, 3.45 Sports Desk. 2.45, 3.45 Sports Desk. 4.40 David Hamilton (S). 4.45 Sports Desk. 5.46 News and Sport. 6.45 Sports Desk. 7.30 Cricket Desk. 3.00 Folk on 2 (S). 3.00 Humphrey Lyttelton (S). Best of July 1.55 Sports Desk. 10.00 fown and Country Quiz. 10.30 Star Sound 11.00 Briam Matthew. Round Midmeth. 11.59 News. 1.00 sm Truckers Hour (S). 2.00-5.00 You and the Night and the Music. 13 Broadcasting a Dior creation (5) Sailor (4, 1, 4)

14 Refusal to go for instance 10 Myraid left for lady to in country (8)

16 Put money on fish with a 13 Danced away or recited pound to be giving away (8) 18 Board of Education supporter (5) 20 Male politician given rope

21 Money payable by a female supporter to go to Virginia 21 Position for professor of

holiday area (5, 5) 23 Sludy one state in such solid The solution to last Saturday's 24 One would turn to poetry so

varied (7) 25 Reckon fruit comes to flower with names of winners next

in Yorkshire (6)

(Leeds); Look North West (Manchester); Midlands Today (Birmingham); Natlonwide (London and South East); Points West (Bristol); South Today (South ampton); Spotlight South West (Plymouth).

The Spinners 2.00 The Riordans, 20 Film: Stolen Hour. Susan

6.40-7.55 am Open University. 11.00 Play School. 4.50 pm Open University. 6.55 Six Fifty-five Special.

26 Person intending to come

DOWN

I Game for house hunters?

2 Shrub taken to divine druids'

3 Used for smelling ancient

unfinished workshop (9)

5 Chain sound god (5)

church music (5)

protection (5)

22 5 is given alternative face

prize puzzle will be published

(5)

meeting (7)

† Indicates programme in
black and white
6.40-7.55 am Open University.
9.55 Wombles. 10.00 Jackanory.
10.15 Chesgers Plays Pop. 10.35
Why Don't You . . ? 1.12 pm
Regional News (except London).
1.15 News. 1.30 Bod. 3.40 Your
Songs of Praise Choice with
Thora Hird. 4.13 Regional News
(except London). 4.20 Play
School. 4.45 Hong Kong Phoney School, 4.45 Hong Kong Phouey. 5.06 John Craven's Newsround With Noakes, 5,35

News and weather. Scotland—1.10-1.15 pm Scottish v Keporiin land. 12.05 am News and Weather. Northern Ireland—1.184.20 pm Northern Ireland News, 5.55-6.20 Scene Around Six, 12.05 am News and weather, Eugland—5.55-6.20 pm Look

F.T. CROSSWORD PUZZLE No. 4,630

East (Norwich); Look North (Leeds); Look North (New-castle); Look North West (Man-

ing preparations.

Roobarb. 5.40 News. 5.55 Regional news magazines —see below for details. 6.20 Nationwide: Royal Wedd-6.50 Ask the Family. 7.20 Freebie and the Bean.

8.10 Panorama. 9.00 News. 9.25 Film: Far from the Madd-12.05-12.10 am Headlines.

Michael Bo ton has cla which highly desical virtu

des Dublin pl Aichae I Denal Davor. bous anti-hero 6 compose gymied by a Melcome. abainating in Nerman R arrulous 25 eam. Scamu the magic of the Other Pi

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THE ARTS

Wigmore Hall Lucia Popp

by ANDREW CLEMENTS

As the Wigmore Hall season from the collection of Russian delectable recital by Jessye Norman, so it closed on Saturday with an equally memorable programme given by Lucia Popp. The planist again was Geoffrey Parsons. Miss Popp had originally intended to give an evening of Schumann, with Frauenliebe und-leben as its centrepiece, but a recent illness necessitated a change. She effered instead a survey of folksongs or, more accurately, of

folk-inspired songs.

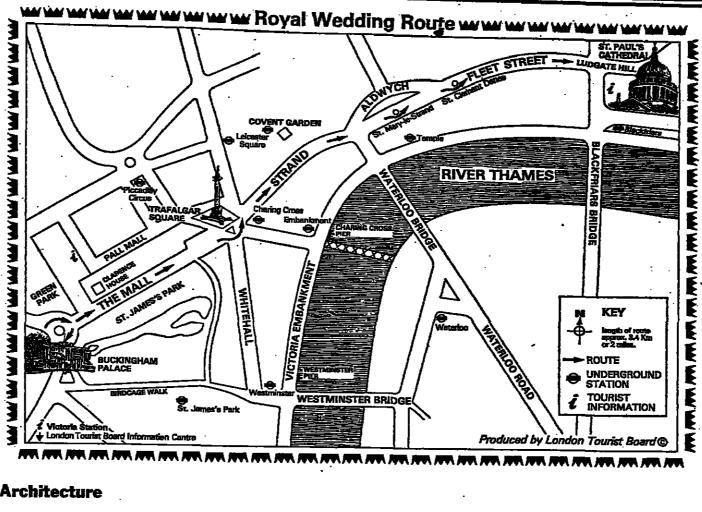
The result was often singing of devastating simplicity, with no attempt at arch sophistication or prettification, the theatrical element in any song

that demanded it touched in with the lightest possible hand. Whatever the nature of Miss Popp's illness it had impaired her vocal powers not at all. though many of the songs lay low in her voice and we were treated to the richness of that register more often than the bright flexibility of the upper octave. At the Wigmore Hall's 80th birthday gala in May she provided one of the highlights with Dvorak's four songs Op. 73 In Folk Tone, and she repeated them here (including an even more sensuously sustained account of "Ach, nenl, nenl, nenl") in the company of folk settings by Prokofiev and Kodaly. weaving .

The three Prokofiev songs, phrasing.

opened last August with a Folksongs Op. 104 compiled delectable recital by Jessye during the Second World War a nationalistic booster, preserved at least some of the raw spirit of the originals. The Kodaly, from Hungarian Folk Music, were eloquent examples of how folk melodies may be processed too much, brought too selfmuch, brought too self-consciously into the salon. Even Miss Popp in these could not avoid a slight suggestion of evenings-round-the-piano in her presentation.

While in a second half of Mahler and Brahms the folk influence became progressively more diffuse, it was typical of Miss Popp's ever enterprising approach that she contrived to present songs that by and large were less than familiar. A Mahler group was drawn from the earliest of the Wunderhorn settings, the Lieder und Gesange aus Jugendzeit (including a magical "Ich ging mit Lust," with Mr Parsons supplying increasingly evocative inter-ludes); three out of five Brahms songs came from his set of 42 Volkslieder. Each here was a crisply drawn cameo: "Es steht ein Lind" moulded into the gentlest of curves, "Die Trauernde" a lament conceived on the tiniest "In stille Nacht" closed scale. the group, an effortless interweaving of honeyed tone and



The view from the Glass Coach

by COLIN AMERY

bility of the Westminster City

small as to appear mean and

I hope the royal pair will

notice how splendid the Baroque paradise of St Mary

le Strand is looking as it is

being cleaned and restored and

that they will toss a few much-

needed coins into the collecting

boxes as they pass. Fleet Street

looks more cheerful than the

Strand because the pubs have

Daily Express has strings of

triangular flags that suit the

brittle sheen of its black 1931

At Ludgate Circus, where the

Cathedral looms into the bride's

view, the architectural setting

begins to fall apart. The circle

of stone buildings was broken

by the air raids and they have

never been considered, as they

should be as a set piece of

urban design. As the horses begin to feel the gradient of

Ludeate Hill the future princess

might rightly feel a little dis-

appointed that the City has not

yet seen fit to redevelop the

large bomb site on the South

side of Ludgate Hill just under

the railway bridge. This eye

sore is owned by the City

Corporation who say that they are hoping it will be used when

the Jubilee Line is extended

eastwards. As this is unlikely to be while Lady Diana's

mother-in-law is on the throne

Brothers' lovely curved building

it looks as though this scar at

City Corporation.

building.

embarrassing about the way we use our streets and buildings for a great public event like the wedding of the Prince of Wales. A grand procession through a noble and ancient city like London should be the moment when the city comes into its own. Traditionally the English are supposed to despise pomp: What have kings that privates have not too. Save ceremony, save general ceremony?" Shakespeare may have seen through the panoply but he also sensed that there is a part of the English character that enjoys a good display.

This royal event with its carefully orchestrated series of media stories has been prepared exactly as though it is a television spectacular. St Paul's Cathedral has become a television studio. Sir Christopher Wren thoughtfully provided the high-level galleries and the superb symmetry of the black and white floor that guarantees that any ceremonial will achieve a high level of dignity. It is when the royal couple ride through the streets that the ceremonial setting begins to look more than a little tatty.

It will all begin in The Mall her first sight of the rather routine street decorations that merely a glimmer in the eye the Department of the Environ of those who love London ment provide for every State the fear of being accused of extravagance that has made the official decorations so dull. Where are the huge flags and swags of bunting and the cere-monial arches that charac-Victorian Imperial events? The Mall always looks as though it has hung out a little line of patriotic washing
—a token gesture rather than a well-designed display.

When the last King Charles laid out the Mall in 1660-1662 he had in mind a much less pompous route than the road we see today. He is supposed to have asked Louis XIV's great garden designer Le Notre to plan an avenue of four I hope that the happy couple lines of trees as part of the improvements to the whole of St. James's Park. the Edwardian architect Sir Aston Webb who was chiefly responsible for the rather French character of the Mall today. He refaced Buckingham Palace in 1913 and had earlier designed the Beaux-Arts character of the setting for the Victoria Memorial. He also designed Admiralty Arch with its three great openings and rather heavy upper floors. It is salutory to remember that the great architectural adorn-

There is something almost once threatened with demoli-Nash could do in London, a sense of scenic splendour without pretention.

Trafalgar Square is also John Nash's responsibility. His improvements were, like so many architectural schemes in London, only partially carried out. curious choice of British Air-The square was formed in the ways to mark this event. The square was formed in the ways to mark this event, 1820s but his proposal for a Along the Strand the official straight connecting road between the square and the British Museum was never car-ried out. Charing Cross Road and blue banners on poles. They was built in the 1880s and to are like all modern attempts at this day it remains a rather pageantry, feeble in the squalid street. The National extreme. The banners are so Gallery (by Wilkins 1832-8) has small as to appear mean and never had the scale or presence they stop abruptly at Temple that the great space of Trafalgar Bar as if to emphasise the lack Square demands — it lurks behind the terraces designed by Sir Charles Barry in 1840. The only lively element in the square are the fountains by Lutyens with their mermaids and mermen by Cha Wheeler and W. McMillan. Charles

The empty pedestal to the west of the terrace will one day support an equestrian statue of Queen Elizabeth II in the characteristic side saddle pose that she adopts for the Troop- enthusiasm. The Daily Teleing the Colour ceremony. As graph buildings has some very far as I know this remains respectable bunting and the statues and would like to see the Queen (who God preserve) appropriately commemorated in

Fortunately, Lady Diana will be spared the sight of the two official bodies who have decorated their premises in honour of the wedding as they are off the route. The Design Centre, formerly the home of good British design, has strung the front of its building with silver love birds. This has apparently acted as a hire to the vast crowds of tourists who buy the mostly hideous souvenirs that now so easily receive the imprimatur of the Design Council. In fact, the Design Centre Shop is a disgrace and have been spared an official wedding present from this trashy emporium. The other official "design" body the Crafts Council has opted for borse shoes and bells in confetti colours—a display that would turn the stomach of any true craftsperson.

The journey along the Strand wil lreveal the true poverty of. the wedding decorations. Coutts, the royal bankers, has had a brave try at cheering up its new premises but the headquarters of the Government of New South Wales (a good modern

once threatened with demoli-tion in the 1930s. Today they recent building. Shell Mex has into Old Bailey is at this provide something that only cleaned its Strand frontage by moment being demolished by the City. Perry and Reed and sensibly decided to display large Union Although the royal couple flags that suit the 1880's characwill have far more important ter of the building. I hope the

matters on their mind as they bride will not miss the glitterleave the Cathedral, they might glance at the miserable new ing display of replicas of the buildings that have been built to the East of St Paul's since the Second World War. But Crown Jewels which are the ey will want to celebrate decorations are the responsiwith all of us that for the first time for eight years St Paul's has been free of scaffolding. The West front looks magnificent and the television companies have tried to respect it by their attempts to rusticate their camera stands making them look like Portland stone. The thin blue banners that of decorations provided by the

will greet the guests as they leave the cathedral are about ineffective as the shields of the livery companies on Lud-gate Hill as pieces of street decoration. It is sad, too, that Abbey Life should use the wedding as a chance to advertise themselves by a banner that would be more at home on a motor racing circuit, although this has since been removed.

Of the inside of the cathedral it is better not to say too much. In the last few weeks it has n like a bazaar and the addition of illuminated show cases to Wren's pilasters to display horrible souvenirs is almost contemptible. It is time the Cathedral followed the example of Westminster Abbey and opened their supermarket in the precincts. I knew it was a bad sign when the revolving doors were installed-daily it becomes more like a department

I was recently looking at a painting in the Ashmolean by William Holman Hunt of London Bridge at Night: Rejoicings in honour of the Marriage of the Prince and Princess of Wales, 10th March 1863, and what a rich pageant it shows. Huge red banners on golden poles topped by stylish elephants and castles, Danish and British flags and glorious gas flares. You can smell the gin in the air and the genuine popular ceremony of the occadecorating the City but we can the gate of the City will remain still shout God Bless the Prince in its present sad state. Hope of Wales in front of our tele-

Arts association director

Pat Abraham has been the Arts Council of Great appointed director of the Britain. Greater London Arts Associaley, director since 1976, who ments of the Mail. Nash's building by Sir Denys Lasdun), leaves at the end of next month regional subsidy officer for more Carlton House Terraces, were have simply demonstrated how to become regional director at than seven years.

Ms Abraham comes from the tion. She replaces David Prat- ACGB's finance department, where she has worked as the Criterion

Can't Pay? Won't Pay!

by MICHAEL COVENEY

until the Half Moon presented this exuberant piece by the Italian comic and playwright Dario Fo some three years ago. Since then Fo has entered the repertoire of regional theatres, the National and the West End. The Half Moon director Robert Walker has remounted the play with a new cast and it strikes a splendidly dissonant chord in the build-up to next week's Big

The Union Jacks may flutter around Piccadilly Circus but the Criterion stage is occupied by two married couples unable to afford groceries or pay the gas bills. The setting is Milan but the problems are desperatelyfamiliar. This, however, is no gloomy agitprop. Fo-faced farce wears a broad smile and proceeds at breathtaking speed. Not only rising prices have to be combated. There is also the police and, this being "Italy," any amount of papal bull.

The connection between politics and religion is simply stated on Geoff Rose's unpre-tentious apartment of pink walls and blue cupboards where a portrait of Marx stares across the room at a crucifix. The play's mechanics take up the theme in a brilliant farcical device. After the local supermarket has been raided by enraged housewives Antonia stuffs half her pickings under the sofa and the other half up Margherita's jumper. This vegetable pregnancy succeeds in deflating a police raid (the copper in question is, anyway, a winking subversive) and throwing their menfolk into

spasms of rage and confusion, Antonia's husband Giovanni is a moderate trade unionist frightened of anarchy whereas his opposite number Luigi is all for uncompromising gestures. When Margherita starts leaking. the olives' brine is mistaken for broken waters. She is rushed to hospital for a baby transplant.

Left-wing farce was an un- Luigi enters and casually conknown commodity in London sumes an olive, for which out-until the Half Moon presented rage he is treated by Giovanni to a torrential lecture on natural childbirth and papal dogma. "Has my wife been seeing the Pope?" whimpers the unwitting father-to-be.

That scene is played at a fantastic pace by Alfred Molina physical characteristics (the one large and worried, the other small and impetuous) with zany political argument. Giovanni's conversion comes when he hears that in spite of

a full order-book the factory night-shift is to be laid off because profits are down. The men then enter the fray, collecting bags of flour and sugar that have fallen, literally, off the back of a lorry, and smuggling them home in a hi-jacked coffin. On the way the Government is blamed for bad weather, the Common Market for rising prices (something here about the Butter Mountain, the Beaujolais Lake, the Leaning Tower of Pizza) and the Pope for everything else. The accelera-

tion in the action coincides with a marvellous series of quick-change vignettes by Sylveste McCoy, who appears as two policemen (one of them knocked unconscious and impregnated by an oxygen pump),: an undertaker and a lip-smacking old grandfather. McCoy, tops his frantic stealthiness by coming out of the closet to play the spoons in the musical clenched fist of a company

Maggie Steed has a field day as the dominant Antonia, swoopign around like a femme fatale of the tenements. Karen Drury is a pert and pretty accomplice. There is no chance of an audience feeling cut off, thanks to Molina's superb, ingratiating technical control and such priceless moments as McCoy hurling sacks into the stalls with a ferocious command to

Noel Coward double bill

by ANTONY THORNCROFT

make an ideal space for an Both are beautifully dressed, office machinery exhibition or a and, acting fit to burst, the salesmen. At one end a few people stand uncertainly by a up magic. bar. Nothing happens. It is a most inauspicious start for the there is enough time to gawp debut in London of an enter- at Coward's technique. tainment which is reputedly hot . literary as Shaw's and with the

cabaret. Until August 8 the fifth floor tioned off for performances of two Noel Coward one act plays, Come into the garden by John Dalby. Before this there is dinner, at a total cost of \$17.50 (extra for wine).

The extraordinary thing is that the initial depression sparked off by being isolated behind curtains in a cheerless vacuum evaporates during the evening. And it is the actors that turn the occasion round. Performing on a well-designed set—being Coward it is a suite in an expensive Swiss hotel—they quite transcend the circumstances and hold the audience hushed and respon-

Hildegard Neil and Toby Robins for the ladies and Jonathan Newth and John Dalby as Coward men deserve every insubstantial: Come into the garden has Newth as a henpecked American husband making a break for it with Neil

You enter a room that would Shadows is quite free of plot. perform their dual roles: it is like close

In this relaxed atmosphere stuff in the States-a dinner- characters even more unreal. theatre topped up with a The plays deal, of course, with adultery but it is impossible to imagine anyone involved ever of the old Derry Toms building stripping off their smart clothes in Kensington is partly partior society manners. Four hours or society manners. Four hours in, and well past eleven, John Dalby is promised on stage with some songs and patter. Judging Mand and Shadows of the even-by his performance as a fussy ing, plus a Cowardish cabaret Italian waiter it will be an enjoyable climax, but weariness wins. So three cheers for the performers-none for the venue.

> Jeans company sponsors Camden Jazz Week

This year's Camden Jazz Week festival, the 13th, will be held between October 26-31. The event will be sponsored by Dickie Dirts, the jeans and casual clothes company. Concerts will be held at the Round House, Chalk Farm Road, London, NW1.

Camden jazz weeks, pro-moted by the London Borough of Camden and the Jazzcentre, with financial aid from the Greater London Arts Association, began in 1974. This is the first time a commercial sponsor as an Italian princess, and has been involved.

CRICKET BY TREVOR BAILEY

Dearbhla Molloy and Michael Pennington

The Shadow of a Gunman

Richards and Garner massacre

THE RECORD books will show that Somerset won the 1981 laboured start which used up Benson and Hedges Cup by the considerable margin of seven wickets with ten overs to spare. A more accurate description innings from their captain might be that two world class Knight, without which the game West Indians, Joel Garner and Viv Richards, utterly destroyed Surrey one with the badl, and the other with the bat. The outcome was inevitable long before

Warehouse

Michael Bogdanov's produc-

tion has clarity and pace

which highlight the stark

classical virtues of O'Casey's

Michael Pennington is

Donal Davoren, the epony-mous anti-hero, whose efforts

to compose lame verse are

stymied by a succession of unwelcome interruptions,

culminating in a British raid.

Norman Rodway romps around him, droll and garrnlous, as his fellow tenant, Seamus Shields, But

the magic of this revival from

The Other Place, Stratford, shines out of Dearbhia

Molloy's outstanding perform-

ance as brave little Minnie Powell. Chris Dyer's mono-

erst Dublin play.

It would be fair to say that if this pair had performed like that for any of the 15 other first class counties, the outcome would have been exactly the same, although Surrey are one of the stronger sides. Even a number of minor counties would have fancied their chances, as all that was required for victory was reasonable back

In one respect, Surrey contributed to their own downfall by opening with Richards, normatly a number seven or eight and Clinton, in his usual sheet he responds to the hig occasion

too many overs and produced too few runs. The Londoners indeed were fortunate to reach 194, largely due to a splendid could have been dead by tea. However, their total was still not nearly large enough to worry Richards in full flow, not

tenement, makes unusually effective use of the three-

sided acting area at the

Royal Shakespeare Company's

second London theatre.

ROSALIND CARNE

Joan Plowright

not to return

Joan Plowright has asked to

be released from the production of Who's Afraid of Virginia

Woolf? She felt the chance of

her throat infection recurring

once she returned, from August

19 as announced yesterday, is a

risk the National Theatre should

not take. The part will be recast and Pamela Buchner will con-

tique to appear as Martha

to mention Botham. Surely, in limited over game, it is wise to ensure that the most accomplished stroke makers have the opportunity to use the overs available, and that Roope was rather wasted at number eight? Viv Richards is not only the

finest batsman in the world foday, he is also one of the alltime greats. In addition to possessing a full range of shots, he has a very quick defence and a power of stroke which enables him to pierce deep set fields and, occasionally, even

mishit a Six. Like all outstanding artists, -and what could have provided

and Somerset five for two. The scene was set and he responded by keeping out the good ball with the straightest of bats. restraining the temptation to over ambition and regularly hitting the bad ball (sometimes the good as well) to the boundary.

After his tour de force it was interesting to hear Viv talk about his batting philosophy. He believes that he should not allow bowlers to dominate, and, though prepared to start carefully, he tries to put away anything loose from the outset. What makes bowling at Viv so difficult and why he is such a match winner is that, when in

the mood, like all master batsmen, he is literally able to score off any type of bowling. Although, understandably,

Jim Laker presented Viv with the gold award for his 132 not out, which from the spectators' point of view was the day's highlight, and also the highest hit too hard instead of letting score ever made in a Benson the ball do the work.

him with more of a challenge and Hedges final. I have a feet-than a capacity crowd at Lords ing that the bowling of his and Somerset five for two. The colleague, Joel Garner, 11.5— 14-5 was even more remarkable and deserving. It is very rare for a bowler

on a reasonable pitch to be able to play such a decisive part in this type of cricket, because, unlike the batsman, he is artificially restricted to a maximum of 11 overs. In his first spell Joel, as well as taking the opening wicket, completely pinned down the opposition with his line, steep

bounce from just short of leg

and movement off the seam. When he was recalled in the final stages, he stopped the Surrey assault and picked up a further four wickets by bowling straight and well up to the bat. Especially fascinating was the difficulty experienced by the batsman when trying to score off his full toss, because of his ments pace and angle of delivery. I also suspect they tried to

TENNIS BY JOHN BARRETT

Off with that self-destruct button!

Patrick McEnroe, a precociously talented left-hander from nearby Douglaston, had just failed to clinch two matchpoints before losing to Ricardo Ycaza of Ecuador in the semi-final of the 1976 U.S. Open junior championship at the West Side Tennis Club, Forest

Hills. The intensity of that reaction offers a clue to later behaviour. for the pent-up frustration of total commitment was being released in the most natural

But it is the very inborn competitiveness that has produced one of the most deadly match players tennis has ever seen. Consider the achive-

By winning the Orange Bowl title at the end of 1976 McEnroe became the unofficial world junior champion-ample

courtside, weeping quietly for to Wimbledon for the junior the chances he had just squanevent, unexpectedly qualified dered. Seventeen-year-old John for the main singles, and reached the semi-finals—the youngest man to do so-where Jimmy Connors stopped him in four sets. In 1978 he won the U.S.

inter-collegiate title, and immediately turned professional. Within six months be had won four Grand Prix singles and six doubles titles, had helped the United States to a Davis Cup success against Britain, and had become the first player younger than Bjorn Borg to beat him. That Stockthat has become the dominant \$460,285 richer, and ranked No. 5 in America.

In January 1979 McEnroe beat Arthur Ashe to win the Masters title after twice facing match-points and Ashe declared: "McEnroe may already be the best player in the world." equal the twin victories of Ken would be tract it he hest player in the world." equal the twin victories of Ken would be tract it he hest player in the world." equal the twin victories of Ken would be tract it he hest player in the world."

Borg, and a first U.S. Open title. His nine Grand Prix singles and 14 doubles titles (12 of them with regular partner Peter Fleming) shot him past Connors, Vitas Gerulaitis, Brian Gottfried and Eddie Dibbs to the top of the U.S. rankings, and earned him \$1,001,745

Only Borg now stood between McEnroe and the No. 1 world ranking that he so dearly craved. In 1980 their rivalry produced two memorable finals. The five-set epic at Wimbledon ended in a narrow victory for the Swede. Ten weeks later at holm victory began the rivalry Flushing Meadow the American exacted revenge in another dour four-hour battle that ended in his retaining his U.S. Open title. five sets in 14 matches since

HE SAT there, head in hands, recompense for the Forest Hills opinion by winning the WCT first Wimbledon crown — his crestfallen and alone at the defeat. The next year he came title in May with back-to-back fifth Grand Prix success of the courtside, weeping quietly for to Wimbledon for the junior victories over Connors and year.

How good is McEnroe? I do not suppose there has ever been a better server. The swinging left-handed delivery, hit from a disguised closed stance is impossible to read. Nor have there been many better volleyers. McEnroe's timing and touch at the net are impeccable, so that drive-volleys and stopvolleys may be selected at will. McEnroe has yet to learn how to apply these talents to slow

European clay, where Borg's patient top spin still rules. That perseverence, and character. Basically a shy person, McEuroe has the strength of mind and the intelligence to

succeed if he is prepared to This way Borg's first defeat over apply himself. First, though, he has to conquer his own perfectionist streak, which cannot So far in 1981 McEnroe has abide incompetence in himself won a second WCT title (to or anyone around him. It equal the twin victories of Ken would be tragic if he left the

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Monday July 27 1981

Pressure on Mr. Begin

Israel and the Palestinians in stands. southern Lebanon, arranged by the U.S. and its intermediaries at the end of last week, is to be welcomed in its own right. There was a serious danger of escalation — including possibly another Israeli land invasion Lebanon - and innocent civilians were being slaughtered on both sides, alongside committed combatants. It can only be hoped that what is clearly a fragile agreement will

The agreement is even more to be welcomed if it also marks the beginning of a new phase of active U.S. diplomacy in the Middle East that will carry forward the peace process started at Camp David. The Reagan Administration lost valuable time by deciding to await the outcome of last month's Israeli election, in the apparent hope, vain as it turned out, that the election might produce a new Prime Minister less in-transigent than Mr Menahem Begin. Now, we are told, the next step must wait until after Mr Begin and President Anwar Sadat of Egypt have visited Washington in August and

·Violence

The problem is that events on the ground do not wait patiently so as to fit into neat diplomatic timetables. If the recent outbreak of violence in southern Lebanon has brought this home to the American Administration, it will be a lesson well learned, There is, indeed, some evidence that it has. By the end of last week Mr Alexander Haig, the Secretary of State, was beginning to look for ways of building on the ceasefire negotiated by Mr Philip Habib, the U.S. special envoy, possibly by appointing negotiator to step into the shoes of Mr Sol Linowitz, President Carter's Middle East represen-

U.S. Administration's mind has also been concentrated by the need to take a deci- into sion on whether or not to go ahead with deliveries, now falling due, of additional F-16 fighters for the Israeli air was temporarily held back following last month's Israeli attack on Iraq's nuclear reactor and President Reagan deferred Begin will interpreted as approval of Israeli policies. So Washington East.

Holding back a few F-16s is not going to hurt the Israelis militarily. At present, they do trained to fly the extra aircraft. And while the F-16s may be detained in the U.S., all other forms of American military supplies to Israel are proceed ing as normal. But the F-16s have an important symbolic and psychological role. Israelis would be alarmed if it became regularly established that American arms supplies were contingent on cies and actions—and the F-16 is setting what must look like

a dangerous precedent in Jerusalem. If the Americans, rightly or wrongly, think that the decision to hold back the fighters was one of the factors putting pressure on Mr Begin to agree to the ceasefire, then they may conclude that they have stumbled on a diplomatic weapon that could be useful again in the future.

The other lesson of the past few weeks is that it is easier for the U.S. to apply such pressure when Mr Begin is behaving badly. The raid on the Iraqi reactor was widely approved both inside and outside Jewish-American circles. Not so the raid on Beirut. By last week, powerful supporters of Israel in Congress had become deeply concerned that Mr Begin's actions were damaging the Zionist cause by undermining its moral base. Influential figures in the Administra-tion, though subsequently pulled back into line by the White House, made some of the sharpest criticism ever of Israel and its Prime Minister.

But the Reagan Administra-

tion still needs to work out a policy for applying such pressure on anything other than a short-term basis. To do that, it must think hard about what it wants to coerce Mr Begin doing. been drummed home once again by the latest outburst of violence, is to get on with force. An initial batch of four trying to negotiate a lasting solution to the Palestinian problem — something which it is far from certain that Mr seriously ever a decision on a further six last attempt if left to his own week after the Israelis had devices. It can only be hoped bombed Beirut with consider that the latest events have fin-able loss of civilian life. The ally convinced Mr Reagan that point is that if the aircraft are the Soviet threat is not the only. withheld as a gesture of dis-approval, their release will be greatest, danger he should be worrying about in the Middle

The moves to ban whaling

SAVE THE WHALE campaigners won a significant vic- Until we know more it cannot tory at the weekend when the International Whaling Commis- hunting, the campaigners claim. sion (IWC). meeting in The Japanese, on the other Brighton, voted for a worldwide hand, insist that there is good ban on sperm whale hunting, evidence to show that no As expected, they failed to whale species is currently on achieve their ultimate goal of a total ban on all whaling, but whale, which accounts for 80 per with new anti-whaling nations joining the TWC each year this actually increasing strongly. may not be far off.

As a voluntary body the commission cannot enforce its decisions, and acceptance of the sperm whale ban by the Japanese, the world's biggest whalers, will depend on how seriously they take a U.S. threat to close its fishing grounds to countries ignoring the ban. This would be a very serious blow to Japan, which earns far more from fishing in U.S. waters than does from all its whaling. Enforcement of a total ban would depend on similar "persuasion" by powerful anti-whaling countries.

Arguments

Are such strong-arm tactics really justified? Pressure for a ban stems from two main arguments - humanity and conservation. Few would claim that it is even possible to kill a creature the size of a whale humanely. But it can be argued that the death they suffer at the hands of whalers is no more horrible than that nature has in store for them, All whales die to be torn apart by sharks, die by drowning after contracting Japan can be expected to stand disease or simply growing too through exposure to the sun its people's long-established after accidentally beaching

themselves. There is no doubt that the killing of a whale is a parti- last harpoon has been consigned cularly ugly affair. But violent to its museum showcase. But death is always ugly, as anyone who has visited a slaughter- their house will testify. difference with whales is purely

The conservation argument. based on a claimed lack of represent a more constructive scientific knowledge of whale approach.

stocks and population dynamics. be safe to allow continued whale whale species is currently on the decline and that the minke cent of present catches, is

Tradition

Whalers have certainly done enormous damage to the world's whale population. Even after 16 years of protection the number of blue whales remains perilously low, as do those of the humpbacks and bowheads. recent years, however, the IWC has made remarkable progress in reducing the level of whale hunting. Current quotas are around 70 per cent below their 1973 level.

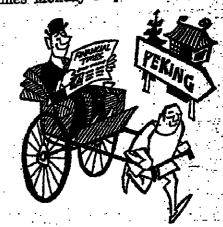
The Japanese and whaling nations believe this is enough, for the time being at least, and strongly resent the holier-than-thou attitude of western countries which only began to frown on whaling when they had no further use for whale products.

The hardship caused by an abrupt end to whaling, though not widespread, would be very real for the small Japanese and South American communities that depend almost entirely on the industry. Until the scientists eventually. If they avoid the can demonstrate clearly that harpoon their fate is probably continued whaling threatens the existence of some species. firm in the defence of one of old, or to dehydrate slowly its oldest food industries and

dietary tradition. It seems that the conservationists will not rest until the they are unlikely to achieve objectives through The attempts at coercion which are certain to be resisted. Voluntarily negotiated controls, which will reinforce the commercial which forms the main plank of pressures tending to reduce the the anti-whaling platform, is size of the whaling industry,



A guide to business travel costs around the world



PRICES COMPARE IN STERLING

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-	Exchang rates	•		Hotel dinner	.		_			5km	,	Exchange rates (units	•		Hotel dinner set	House	Restauran		.·	•	5kr tax
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Bridgetown	3.88	150.75	80.08	12.16	6,08	19,77	3.35	1.52	0.91	1.29	Jakarta	1.94	79.89	39.23	7.30		7.36	2.32	1.68	1.25	1.29
Abu Dhabi	7.05	143,08	66.83	17.02	7.09	17.62	6.62	2.13	1,58	0.85	Edinburgh	7.00	. 79.07	36.00	7.83	4.50	8.50	3.67	0.63		~2.00
Paris	11.01	139.32	59.85	19.00	1.20	32.92	4,54	2.91	1.85	2.72	Kingston	1.94	76.33	34.68	6.53	3.44	14.95	3.35	0.77	0.62	1.55
Chicago	1.94	137.69	63.06	19.76	6.96	14.18	3.48	1.98	1.66	2.06	Viennà	37.98	76.18	32,49	10.16	1.96	9.85	0.91	1.97	1.14	2.73
New York	1.94	133.41	62.06	12.34	6.49	16.84	3.43	2.12	1.76	3.09	Dublin	1.28	76.11	34.56	7.62	2.33	18.90	1.56	0.72		7.95
Nassau	1.94	120.75	59.14	11.15	3.56	13.78	3.11	1.68	1.58	2.96	Karachi	18.86	75.91	40,30	3.97	-\$	3.84	7.06	1.91	1.85	0.53
Bangkok	40.02	120.22	56.65	13.49	8.15	7.70	2,19	1.77	1.22	2.50	Panama ,City	7.94	75.52	. 38.73	4.64	2.41	9.28	0.56	1.80	0.89	1.55
Hong Kong	10.73	119.64	66.15	8,70	4.53	7.46	3.59	1.47	0.89	0.75	Seoul	1,338.50	73.19	29.62	9.34	5.98	11.51	1.64		1.34	1.12
Takyo .	443.0	115.13	48.90	6.12	4.06	27.00	3.61	1.95	2.02	4.50	Copenhagen	14.69	73.03	28.29	12.23	2.93	13.24	1.70	1.63	0.82	2.04
Los Angeles	1.94	113.11	48.64	18.04	1.42	27.07	2.58	1.29	0.64	3.09	Lusaka	1.72	72.53	25.29	8.43	8.14	8.43	4.36	1.31	0.44	2.00
Stockholm	9.86	109.11	46.32	14.86	4.33	23.28	243	1.35	1.62	2.54	Kuala Lumpur	4.59	70.81	35.37	71.33	‡	4,68	0.98	1.31	0.98	0.44
Montreal	2.34	109.65	40.95	19.23	4.27	17.09	4.49	1.92	1.28	3.60	Johannesburg	1.69	70.54	31.99	\$8,8	2.84	8.43	1.48	0.62	0.56	2.49
Baghdad	0.56	107.78	55.35	8.93	5.78	8.93	2.86	0.89	0.89	1.79	Athens	113.18	69.79	36.72	6.71	1.59	9.72	7.99	1,28	0.69	0.84
Rio de Janiero	170,78	107.59	56.31	12.30	3.22	14.05	1.84	1.12†	0.78	88.0	Arrman	0.64	69.75	35.10	6.12	1.77	7.03	1.95	1.75	1.09	- 0.70
Houston	1.94	106.97	47.79	10.58	5.76	17.78	2.84	1.57	1.03	2.58	New Delhi	16.76	68.90	33.00	3.13	5.77	3.10	2.09	1.43	1.37	1.20
Oslo	11.57	104.41	40.19	11.93	7.17	15.55	3.89	2.16	1.51	3.24	Moscow	1.5377	68.58	37.56	3.58	1.63	9.75	0.65	0.98	0.98	0.98
Kuwait City	0.54	104.16	55.86	11.11	_	11.11	4.63	-	0.28*	1,85	Nairobi	16.97	, 68. 77	31.00	8.25	3.54	13.41	2,06	0.86	0.32	0.71
2803	1.27	103.26	51.92	9.\$1	t	18.76	2.95	1.57	1.18	0.79	Lima	811.68	67.04	30.07	8.69	3.09	6.96	1.55	2.25	0.96	0.74
ingapore	4.19	102_41	53.46	7.95	1.67	15.51	2.67	1.72	1.62	0.95	Budapest	65.23	66.24	32.91	7.67	1.95	5.75	1,23	1.41	0.58	1.07
ydney	1.72	101.79	47.82	7.60	3.49	27.61	3.26	1.13	0.47	1.60	Salisbury	1.36	64.89	28.38	6.74	2.94	11:03	1.84	1.10		I.84
Manama	0,724	100.40	47.51	8.57	9,55	8.51	2.49	1.20	7.13	7.10	Auckland	2.28	64.40	29.97	7.75	1.97	10.09	1.54	0.56		1.84
ondon	1.00	100.00	46.92	10.53	4.37	14.63	2.00	0.70	0.67	3.10	Dar es Salaam	16,30	63.98	24.95	5.83	4.29	6.75	2.66	0.92	0.98	3.07
Geneva_	4.13	96.96	39.95	8.47	3.03	20.58	6.05	2.50	0.87	1.94	Colombo	35.22	59.65	30.58	4.63	<u></u> ‡	3.41	0.71	1.22		~ 1.14
Mexico City	47.11	95.24	52,77	4.95	2.76	7.96	2.08	7.80	7.10	0.85	Rome	2,340	59.07	26.50	7.19	7.78	9.40	1,71	1.14	0.80	1.50
Brussel _s	76.10	95.22	38,20	15.44	2.63	14.40	3.65	7.58	0.63	3.29	Cairo	1.38	56.90	26.67	5.80	2.17	6.16	1.45	1.45	0.87	0.91
lelsinki	8.72	90.18	37.42	9.37	3.71	17.66	2.06	1.67	1.76	3.21	Tunis	1.05	56.68	20.15	8.93	2,64	7.03	5.56	1.23	0.63	0.95
Doha .	6.99	90.04	49.74	8.22		5.79	2.79		0.47*	2.15	Lisbon	123.35	56.62	27.56	6.22	1.30	7.38	1.05	1.51.	0.94	0.57
Zurich	4.13	89,37	35.11	8.23	3.63	21.79	3.87	2.14	0.69	2.66	Warsaw	70.22	56.46	30.94	3.75	<u></u> t	3.77	0.36	1.66	0.63	0.43
Amsterdam	5.22	85.71	42.94	5.28	2.98	9.38	2.87	· 0.72	0.34	2.87	Ankara	206.32	56.31	28.17	6.19	243	3.25	0.82	1.091	0.85	0.85
rankfurt	4.68	84.21	37.46	8.90	2.81	12.29	2.35	217	1.45	1.71	Dacce	36.35	: 56.23	33.47	2.20	- -‡	1.17	0.55	0.83	T.10	0.28
anas	1.94	84.07	37.61	7.73	‡	9.02	2.06	2.58	1.03	2,58	Belgrade	72.84	46.65	21.55	4.81	0.96	3.78	1.24	1.51	0.69	1.17
el Aviv	1.94	83.57	35.05	13.40	2,49	10.49	2.67	2.32	1.01	7.55	Rabat	10.60	45.53	17.97	5.66	1.60	8.07	1.89	1.89	0.80	G.47
leykjavik ·	1.94	81.43	33.25	10.05	4.51	14.95	2.84	1.24	0.93	2.06	Nicosia	0.85	45.22	21,31	5.05	1.33	4.41	1.18	1.18	0.78	0.77
fadrid .	184.85	80.70	38.50	11.90	7.45	10.28	1.62	1,57	0.51	1.35	Peking .	3.41	36.37	75,40	2-64	1.38	9.16	0.88	0.88	0.26	1.11
																					-

The index is based on three nights bed and breakfast in a first class hotel, three snack meals, two set ment

The exchange rates are based on the Financial Times published list on June 9, 1981.

OR THE moment at least, the rise of the dollar has sent the larger U.S. cities back into the upper bracket of world's most expensive destinations for business travel-

The latest Financial Times survey Costs^c, of Business Travel covering 100 cities (from which we have selected important details about 68) suggests that the budget-minded businessman will find life cheapest in Nicosia or Peking, and that the greatest strain on his credit cards will occur in Bridgetown, Abu Dhabi, Paris and Chicago.

The survey has been compiled by researchers in each capital who were given very careful. definitive. survey of world living Ask 1,000 business travellers which is the most \$2.40 prevailing last autumn expensive business city on

1,000 answers, but certainly a

A city's expense depends partly on the tastes of its visitors and partly on which countries the visitor has come from. To apply objective principles to the matter is to invite But the answers to the questions suggest the business visitor who compares like with like would find that Bridgetown, Barbados, tops the costs league for 1981. London, last year's winner of

this doubtful honour, has slipped to 22 in the chart, partly which dominate the top ten. because of the rapidly falling value of sterling and partly because of local competitive pressures, which, for example, have "softened" hotel prices.

specifications before they set a considerable influence on the out. But there is no single, league table. The calculations substantial change from the ve business city on when British prices were very drinks as whisky in Caracas. It would be foolish to town which makes Barbados so 6969). That is where any You may not receive high for visitors from the But the assumption is that busi-suggest that the £3.25 meal in expensive, just as the cost of tions should be addressed.

A Financial Times reporter analyses changes in the guide

since it was last published

York, Chicago, the Bahamas and,

Residents of these various cities may protest at their alleged expense. But the index is based exclusively on the demands of the business travel-Clearly exchange rates have ler and is therefore heavily influenced by the costs of hotels. There is no question that you are based on \$1.94 to the £, a can stay relatively cheaply in Paris, eat for very little in Chicago and avoid such pricey

Americas. The rise in the dol- ness travellers rarely have time lar has turned the tables: New to search out these "bargains." The index is based on three of course, Barbados are among nights bed and breakfast in a dollar-based territories first class hotel, three snack dominate the top ten. meals (omelettes and salads), two set menu dinners in the hotel, a dinner in a first class restaurant, three bottles of

The exchange rates used were those published in the Financial Times early in June 1981. Where alcohol is forbidden or wine not available adjustments have been made. It would be foolish to

one publication, over £1m worth had been held for over two

years; and a survey of 17 typical

Community publications found

that after a year 22.1 per cent

of the print run was still on

Canadians always seem to be

suffering from an identity crisis.

It comes, I suppose, from living

next door to the U.S. with only

an imaginary 49th parallel to

In Manitoba, where the wide-

open spaces tend to make people

broad on the problem, the pro-

vincial government called on its

education department's advisory

committee on patriotic and religious exercises (no less) to

After two years' study, the

committee has come up with the

answer in the form of a revised

nursery-tale book. From next

term, Manitoba moppets reciting

Little Jack Horner will put in their thumbs, pull out their plums, and cry: "What a good Canadian am I."

It was just a matter of time . .

and now the robot salesman has arrived. The U.S. Digital Pro-

ducts Corporation has analysed,

summarised and synthesised all

that persuasive, profesional pat-

ter and fed it into a little com-

puter. When plugged into a

phone system, the robot can

summon a number from memory, ring it, make its sales

pitch, record any answer, tabu-

According to reports—it

Canadian Jack

divide them.

find a solution.

Robot rep

experience enjoyed in Paris. But the Guide's compilers have basis for seeking out the most In broad terms the researchers

sought out hotels most likely to be used by visiting foreign business people. In some cities this clearly means the best hotel in town. In others the hotels we acceptance or otherwise of chose may not be the de hime credit cards, local climate, clothestablishments, nor yet those ing requirements, tipping practused by the package tour trade. lices, communications details In some resort cities it may be and information regarding local that the official room price-media. This summery also gives the one paid by the passing busi- only a brief resume of the house wine, three beers, six ness visitor — bears no relation information available, whiskles and six 5km taxi rides. to the heavily discounted rate *The full Financi. offered to tourists who stay for survey of Business Travel Costs a week.

> in itself provokes apparent dis- Publishing, Greystoke Place, tortions. It is the cost of a one night stay in a hotel in Bridge-

Ankara was directly comparable eating in Tokyo pushe Prices, of course, change from day to day. aimed to provide a consistent cities mentioned in the guide may find that costs are higher. or perhaps even lower, than in-dicated. For example London

taxt prices have risen since the

In the course of re great deal of additional informa-

*The full Financial Times will be available on August 21 Having a uniform check list from Financial Times Business Fetter Lane, London EC4A IND, price £38. (Tel. (01) 405 6969). That is where any ques-

Centre stage If the Conservative Party is

really as unworried as it claims about the recent successes of the SDP/Liberal alliance, then perhaps it should witness the growing subversion of those convocations of capitalists, the annual general meetings.

Colleagues tell me that at least three times this month shareholders of companies donating to the Tories have called for the redirection of funds to the electoral reform pressure groups. Not with much success mind you: on each occasion the dissenting voices were howled down. Nevertheless the centrist moles have drawn sufficient attention to arouse suspicions of a conspiracy.

My investigations, I regret. have drawn a blank. Both the SDP and the Liberals suggested that the campaign may be a bit of "private enterprise" party activists. The Electoral Reform Society seemed posi-tively resistant to the idea. "We



"He's telling the telephone what he thinks of them-while he can still afford to!"

recipients of donations from big and toys and a TV series, business," their chief executive, More recently the dis Seamus Burke, said.

Muggridge at the National Committee for Electoral Reform who insisted that the speechi- and oozed personality," Bond fying was "not our way of explained. "I nearly bought doing things."

Nevertheless. I am sure the latter group will not be turning away a forthcoming cheque for £5.000 from Marks and Spencer. Last year the company gave £20,000 to the Conservative Board of Finance.

Buckling down

Red Army quartermasters must be scratching their heads over the rapid increase in demand for brass hammer and sickle belt buckles. A friend recently back from Berlin tells me that before entering the Eastern sector he was bemused by an allied military policeman warning him not to accept offers of Army helt buckles, as to bus one constituted involvement in the black market.

sentry pointed to a gleaming buckle strategically placed on the moulding outside his guard. Twenty D-Marks," he was told was the going price. Two hours later at the Marienborn checkpoint on the East-West German border another Soviet guard offered both buckle and belt which my friend again

Sure enough, as soon as he

Animal instinct

declined.

The combination of large department stores and small animals appears to coin money for children's author, Michael

A small teddy bear, bought in Selfridges as a Christmas stocking filler for his wife, became the hugely successful Padding-Bear whose disshevelled, ton duffle-coated form has spawned a cult following, the sales of revealed that in the case of just

wouldn't want to be seen to be hundreds of thousands of books More recently the discovery

of an armadillo in the Harrods Sentiments echned by Hilary Pet Shop gave inspiration to Bond's latest hero, J. D. Polson. "It had a leg at each corner him then and there, but fortunately by the time I thought it over and went back be had gone."

The inspiration had not however, and today J. D. Polson and the Dillogate Affair—in which our hero becomes the first armadillo President of the U.S .appears in the bookshops of Britain an odds-on favourite to win hearts and minds. The armadillo is already big business in the U.S. where fans

reportedly daubed "J. D. Pol-son for President" slogans during the elections Wombles of Wimbledon are

Paper tigers

Office managers, tortured by ever-escalating printing and photocopying costs, may take some comfort from the latest crossed to the Soviet sector, a harror story from Brussels. If the EEC's auditors can be believed, the Community's bill for paper consumption makes the butter mountain look like a molehill.

At a total cost to the Eurotaxpayer of around £25m a year. the paper printed annually by the Common Market institutions would, laid end to end, go round the world 40 times or cover a cricket pitch to a depth of over 500 feet

According to the Court of late them and print out the Auditors' report, the Com-munity prints or photocopies results. 694m sides of A4 paper a year -over 3m a working day or 233 per official per day—and that is for internal use only. In all 1.9bn sheets of A4 are used every year of which 240m sheets go straight to the storerooms. never to be seen again. Spot checks on EEC stores

hasn't actually got in touch with me yet-the robot can do anything your old-fashioned rep can do. And at less cost. Digital says it is programmed to work without an expense account or

Unhappy 2-way radio users wanted

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world leader in 2-way radio, almost certainly interfaces with your present - and possibly satisfactory system.

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Observer

FINANCIAL TIMES SURVEY

Monday July 27 1981

STRAL AMNERALS AND ENERGY RESOURCES Australia is now wholly committed to one of the greatest developments of mineral and energy resources that the world has yet seen.

Already the inflow of foreign capital is putting new pressures on the country's economy. As well as having a battle with nature to extract precious resources, there is a struggle between the expansionists and more cautious elements. FOREIGN 'MONEY has been too much stress for Australia's

stronger Australian dollar, rising inflation, new problems for the country's manufacturing and energy projects. That themselves with him, is that contract has been signed and sector, and a tide of labour action will certainly slow the Australia must accept the Australia will soon be exporting unrest that has already risen to uncomfortable heights

Nearly all the new money is going straight to finance the ambitious investments in minerals and energy resources which were originally designed to transform the economy of the continent well before the end of this decade.

It is widely accepted that the minerals and energy pro-gramme will spill over into the 1990s. Even before some of the biggest developments leave the drawing board-in such exciting growth areas as natural gas, coal for export, power generation for aluminium production, and exploitation of rich new minerals deposits-Mr Malcolm Fraser, the Federal Prime Minister, is sending out warning signals that unbridled expansion would simply create

only two years ago.

The phenomenon is proving sufficiently powerful to jar upon the strongest political nerves. For it presages a stronger Australian dellar missis in office, he insists.

To apply the brakes the commonwealth Premier is susceptible to that sort of thinking at the moment," he said in proving the cash it will make available for the roads, townships, Perth. railways, and power stations. needed to support the minerals

FOREIGN MONEY has been too much stress for Australia's and limited, although of unbroken growth ahead, at up to A\$1bn a month: rather more than 12 times the rate of allowed to happen while he is wealth Government slows down in the common and the common stress are to be common allowed to happen while he is wealth Government slows down in the common stress are to be common allowed to happen while he is wealth Government slows down

His argument and that of the expansionists who align

Investment boom under way

REPORT BY ROY HODSON

There is a boom in Australia. Wales—will involve new rail-it may not be fashionable ways and new port-loading faciways and new port-loading faci-Establishment business lities which will be expensive. It will also involve a degree of circles, but it is real enough. nevertheless. It is a boom in cooperation among the transport energy resources. Minerals are and port workers which so far has not been forthcoming. doing well and will do better. But energy resources are taking The development of a truly off into a Never-Never-Land as

far as Australia is concerned. The great natural gas export

safely be sold abroad even after

ments in Western Australia in

the general area of the gasfields.

gas pales, however, against the

deposits of Australian coal

The country has been export-

ing about 30m tonnes of coal a

year. But the deposits of the

east coast are sufficient to supply the world for as many

about. If Australia can organise

itself it will be possible to

export up to 200m tonnes a year

the year 2000. The question is

whether Australia can organise

itself to take advantage of these

which have now been proven.

Even the potential of natural

world-scale aluminium industry. based upon hauxite and coal for power, depends upon the ability the various Australian states to use their cheap coal to generate cheap power. A year ago that ability seemed a lot more certain than it does today. This Australian winter there has been failure to maintain full power supplies by the public utilities of both New South Wales and Victoria—two states intimately involved in the great leap forward in aluminium pro-

Clearly some new thinking will have to be applied to the expansion of Australia's thermal power station programme (fed by coal) if the aluminium tremendous quantity of gas can developments are to continue on schedule to make Australia the most significant new producer in the world this decade.

There is much to worry the Independent observer about the progress of the great Australian aluminium boom. On the face of things the industry could grow by round 1.5m tonnes of metal production a year between now and 1990, lifting it from some 300,000 tonnes a year to nearly 2m tonnes a year and making it among the years as anyone cares to think world's aluminium exporters.

But that programme might be crippled, even wrecked, if the states cannot organise themselves to utilise the low-cost coal to generate the electric power needed. Already the aluminium companies which are heavily involved are ques-

CONTINUED ON PAGE TWO

CONTENTS

Finance	п
Pattern of new projects	IV
The share markets	rv
Natural resources	
Coal	·VI
Gas	VI
Aluminium	VII
Market development	VII
Oil resources	VIII
Mineral developments	IX

Iron ore Support companies X X Uranipm XI XI Ashton Joint Venture XI Company profiles The labour scene XIV Government attitudes

pace of development. In the pressures of prosperity and not 6m tonnes a year of liquefied opinion of many politicians and try to insulate itself from them. natural gas to Japan. That industrialists willing to take an That involves accepting the overall view it is a necessary mountains of foreign capital constraint. It will modify the needed to get new projects on Australia has extracted all she the road, and the high rates of needs for industrial developestimated A\$33bn (£20bn)-plus spending spree—at present day immigration necessary prices-into a much more manquickly develop western and ageable programme spaced out

develop Australia's resources. The booming states with the richest resources and the the other minerals men and smallest populations, Western financial men who have learned Australia, Northern Territory, caution from previous upward and Queensland, are taking the Government hard.

over a longer period.

veteran Premier of Western Australia, who has virtually pioneered .modern resources development there, has no patience with restraints being the high levels of 12 years ago applied to his state's heroic after an intervening recession.

northern Australia. A clear division has arisen Constraint and caution are in Australia between the men not the watchwords of many of who talk about the minerals the men most ambitious to and energy boom in terms which suggest the nation is on the verge of a new dawn, and the other minerals men and

> cycles. It is becoming fashionable in high business circles to depre-cate the new boom as a figment at bargain basement prices by high business circles to depreof fevered speculators' imaginations. The big mining houses argue that in their business, exploration and production activity has merely returned to

new resources. Exploitation of strip-mines and deep-mined coal-mostly in Queensland and New South



Australian resources, gilt-edged returns.

Few Australians would disagree with the international view of Australia as The Lucky Country. In today's resource-conscious world, however, Australia has much more than a lucky lifestyle to offer.

The abundance and diversity of Australia's proven mineral reserves are staggering. So, too, are the funds being poured into the development and processing of those resources. The Australian Government has approved projects totalling \$A 40 billion which will commence during the first half of the 1980's.

When you look beneath the surface of Australian resource development certain names and certain corporations keep cropping up. Amongst them, Bond Corporation Holdings Limited. Numbered in the 100 leading companies in Australia, certainly one of the most visible and vital forces to emerge in Australian business in the past two decades.

The Bond Group is based in Western Australia, where the focus of resources development is centred on massive investment in iron-ore, gas, oil, gold, bauxite, uranium and a dozen other minerals. Nationally, Bond's interests embrace gold, oil, coal, sands, quarrying, retailing, property development and resource-related industries.

. Bond is characterised by a liking for hard work and a reputation for getting things done. Through an ongoing 20 year programme of expansion and acquisition Bond has established a track record in the areas of greatest opportunity. Now, as Australian resource development spirals into the 1980's, the Bond Group is well-poised to realise those opportunities.

Institutional investors are particularly invited to write for financial and corporate information about Bond Corporation Holdings Limited.

> Copies of the current annual report for Bond Corporation Holdings Limited may be obtained from:

London Information Office, City of London Financial Public Relations, Orient House, 42/45 New Broad Street, London EC2M1QY. Telephone (01) 628 5518. Telex 8811725.



Bond Corporation Holdings Limited. George's Terrace, Perth 6000, Western Austral Telephone (619) 32 5455.

NEW CAPITAL EXPENDITURE

Comparison of new fixed capital expenditure for selected industries for six months ending June, 1981; expected expenditure in A\$m.

Mining	1,181.4	Other manufacturing	310.5
Food, beverages, tobacco	299.5	Finance, property, services	2,391.5
Textiles, footwear	37.9	Electricity, gas, water	59.2
Paper and printing	147.6	Wholesale trade	385.3
Chemicals, coal products	230.8	Retail trade	272.5
Basic metal products	800.1	Transport, storage	286.6
Transport equipment	199.8	Other non-	
Fabricated metal		manufacturing .	273,5
products	204.7	TOTAL	7,080.8

Source: Government statistics

ROY HODSON reports in this article that the caution being shown by the Federal Government towards the mineral and resources programme has not so far deterred the inflow of foreign money to Australia. Other writers in this survey are Colin Chapman, Sydney Correspondent; Kenneth Marston, Mining Editor; Patricia Newby, Canberra Correspondent; with Stephen Thompson in London and Vickie Smiles in Sydney.



Mr Malcolm Fraser, the Federal Prime Minister, warns that unbridled expansion in mineral developments would create too much stress for Australia's economy—it will not be allowed to happen, he says



The trading floor of the Melbourne Stock Exchange. Prices of most Australian mining shares have succumbed to the general down-trend caused by low metal prices and rising interest rates

Government adopts tighter fiscal policy

put forward last December by the Australian Department Industry and Commerce as a lend to Australian ment in energy and minerals projects which are either under balance of payment surpluses of way or planued.

Nine months after that estiservative. Some observers be-A\$40bn.

But it is dangerous to extrapolate too far into the future when assessing the Australian scene. Markets can decline swiftly and suddenly (as oil producers are discovering in many countries) and some of the Australian developments are certain to be postponed to await better days in particular trades and industries. Other projects will certainly be can-celled for a variety of reasons.

The Federal Government, as part of its new and tighter fiscal policy, is cutting support invest-ment by the states by about 25 per cent—although some states ing towards project financing claim the cuts will in reality be as a means of obtaining higher much heavier.

The cuts will slow down the lar impact on the expansion plans of the aluminium industry. Financing the new thermal power stations is going to be a more difficult and complicated business than the states first

But the new caution being shown by the federal governto Australia. Mr C. Jackson

THE FIGURE of A\$33bn was America's Citibank in Austra-North West Shelf gas project, put forward last December by lia, believes the keen competi. Now there may be 25 top banks the Australian Department of tion between foreign banks to with the expert staff to arrive projects will probably continue as those institutions recycle

the Opec countries. He added a warning, however, mate was first put forward the that an obstacle to unimpeded figure is beginning to look con- offshore financing would be labour problems and the damage lieve it should properly be that could be caused by pro-revised upwards to nearer longed industrial action.

Ouicker returns

No matter how hard the states and the aluminium companies work to bring their new power stations and smelters into production it will be the late 1980s before substantial rewards can be recouped from the aluminium expansion. Quicker returns will come from oil and gas in the opinion of financial analysts

A lot of banks are now looking towards project financing profits than are available from the usual public loans. It is clear that a number of banks gramme and will have a particu- are prepared to take higher risks with resource ventures than they would have contemplated in Australia five or 10 years ago.

The result of the greater bank involvement is that they are having to build their expertise in various industries. One banker assessed the growing role of the banks thus: ment has not so far deterred "Five years ago only 10 or the inflow of foreign money in- fewer banks in the world could "Five years ago only 10 or intelligently assess the sort of Lester, a vice-president of risks involved in, say, the

at the right conclusions."

Traditionally the U.S. banks

led foreign corporate investment in Australia. Now, how-ever, the Brilish, French and Japanese banks are all in the game and as one foreign banker put it, "learning very fast."

The banks operating in Australia have discovered that it is easier to take an engineer and make him a banker than the other way round. One bank in Sydney now has on its staff three mining engineers, four petroleum engineers and a chemical engineer.

Foreign investment Australian enterprises totalled A\$1,329m of new money during the year 1977-78. During 1978-79 the inflow reached A\$2,052m, In 1979-80 it was A\$2,961m. During the early part Major new cash flows are of the year 1980-81 it was expected from the rapidly running at nearly A\$0.4bn a developing oil and gas fields by the mid-1980s.

A\$1bn a month in some months.

Federal Government claims that its policy of Australian equity participation in resource projects is having considerable success. In the last takes place.
two years more than a dozen • "If wage increases in the two years more than a dozen new natural resource developcoal projects, have been could result in higher inflation considered by the Foreign and a rise in unemployment." Investment Review Board and The main difference between approved by the Government.

Australian companies like this: "Determination of Australian companies to participate in the new projects together with their

willingness is resulting in Australians sharing to a much greater extent in the benefits i natural resource development

than in earlier years."

Does the Australian capital market have sufficient capacity, however, to continue to meet the domestic equity capital requirements arising from the policy of Australian equity participation? Mr Howard said: "Given

adequate lead time and an absence of impediments to prices and interest rates there. would be no reason to expect a chronic shortage of domestic equity capital." But he equity capital." But he acknowledged that there will be a number of constraints both physical and social which will tend to slow down the development of minerals and energy resources.

He identified two: "It remains to be seen whether the Australian wage structure will be sufficiently A\$1bn a month in some months. flexible to allow relative wages to adjust to the extent required to attract and retain appropriately skilled labour in the regions where development

development area 'flow-on' to ment projects, including five other parts of the economy it could result in higher inflation

The main difference between present minerals and Mr John Howard, the Federal resources "boom" and the last Treasurer, in a recent address mining boom of the 1960s and summed up the surge of foreign early 1970s, is that a large numcapital and the reaction of ber of Australian companies in the resources sector are now well established and have healthy cash flows. It is a bigger game being played on much

nesses each now earn more than A\$100m annual profit and home producers or 2) to allow expect each to have a A\$200m economic forces to bring about annual cash flow after depreciation. Of the top 15 companies all but two or three can be readily identified with the minerals and resources develop-

ment in one way or another. But the programme to which minerals and energy will have consequences for the rather-over-protected sectors of manu-

facturing industry.
Mr J. O. Stone, Secretary of the Treasury, spelled out the implications for manufacturing industry early in the life of the new investment round in a perceptive address. Broadly, he said. Australia had two options:

Half-a-dozen Australian busi- 1) to allow import growth to sesses each now earn more than substitute for the least efficient the necessary readjustiment which would, of course, have ap impact right across the Aus-

tralian industrial spectrum. The first option requires a gradual dismantling of the present import regime (which Australia is now committed in includes tariffs, quantitative in-minerals and energy will have port restrictions and quoises to consequences for the rather balance growth in expert

> There is also the factor, often mentioned in Camberra (but less attractive if you are running a state administration) —that less protection for Aus-tralian industry will free scarce resources for the new energy and minerals ventures.



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Mr John Howard, the Federal Treasurer, says that in the benefits of natural resource

development than in earlier years

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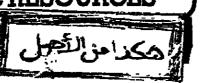
Tantalum, as a strategic metal with unique characteristics (especially the ability to withstand extraordinarily high temperatures) is vital to the western world. Greenbushes, through an ambitious exploration and development programme,

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DEVELOPING AUSTRALIA'S STRATEGIC RESOURCES



Investment boom

CONTINUED FROM PREVIOUS PAGE

and the Federal Government to attracting new service their needs. The development of Australia as a major supplier of primary aluminium to the world could still be one of the great indus-trial stories of the 1980s. But it will require a greater commitment from the Australian political world and the bureaucracy than we have seen

Uranium is another component of the Australian energy boom. The continent has prolific resources. In spite of left-wing attempts through the unions to stop exports of uranium in yellowcake and other forms there is every reason to believe Australia will be one of the world's great suppliers of uranium, and that the business will develop perhaps tenfold during the next decade. However, the trade will be wholly reliant upon the progress of the nuclear power cycle. Austrolia is, in that, a hostage to the economic and political problems of other nations.

Big expectations

Tremendous interest has been generated by Australia's oil prospects within the last few The expectations aroused by shows of oil at the Blina Well in the Canning Basin of North Western Australia may well have been overdone. But

tioning the ability of the states they have had the effect of and the Federal Government to attracting new interest in Australia particularly from Canadian companies frustrated by the oil policies in their own country. The drilling pro-gramme both onshore and off-shore will reach a new peak country. within the next six months. More gas than oil has been

found so far but there are high hopes of finding enough oil to make Australia self-sufficient and, with luck, a modest exporter of oil, before the end of the 1980s.

The recent discovery of

diamonds has been a welcome bonus to lively minerals activity The rich and varied minerals deposits that are yet to be worked commercially ensure Australia a future as a leading supplier of minerals to the world. But the country's primary contribution for the next 20 years will certainly be in terms of energy rather than minerals That energy will be in the form of natural gas, possibly oil, certainly coal in large quantities. and aluminium which will be the result of locally-mined coal and bauxite.

Energy is the name of the game in Australia. The top half-dozen companies all show they realise that by the trend of their investments. The stock market indicates it too by the fever with which it follows any share with an energy component.



CharlesWestern Premier of Australia, can see clearly 20 years of unbroken growth ahead' in his state



Mr J. O. Stone, Secretary of the Treasury, has spelled out the implica-tions for manufacturing industry during the new investment period



OIL AND GAS EXPLORATION Acquisitions in North America now proposed

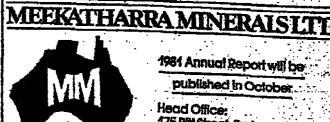
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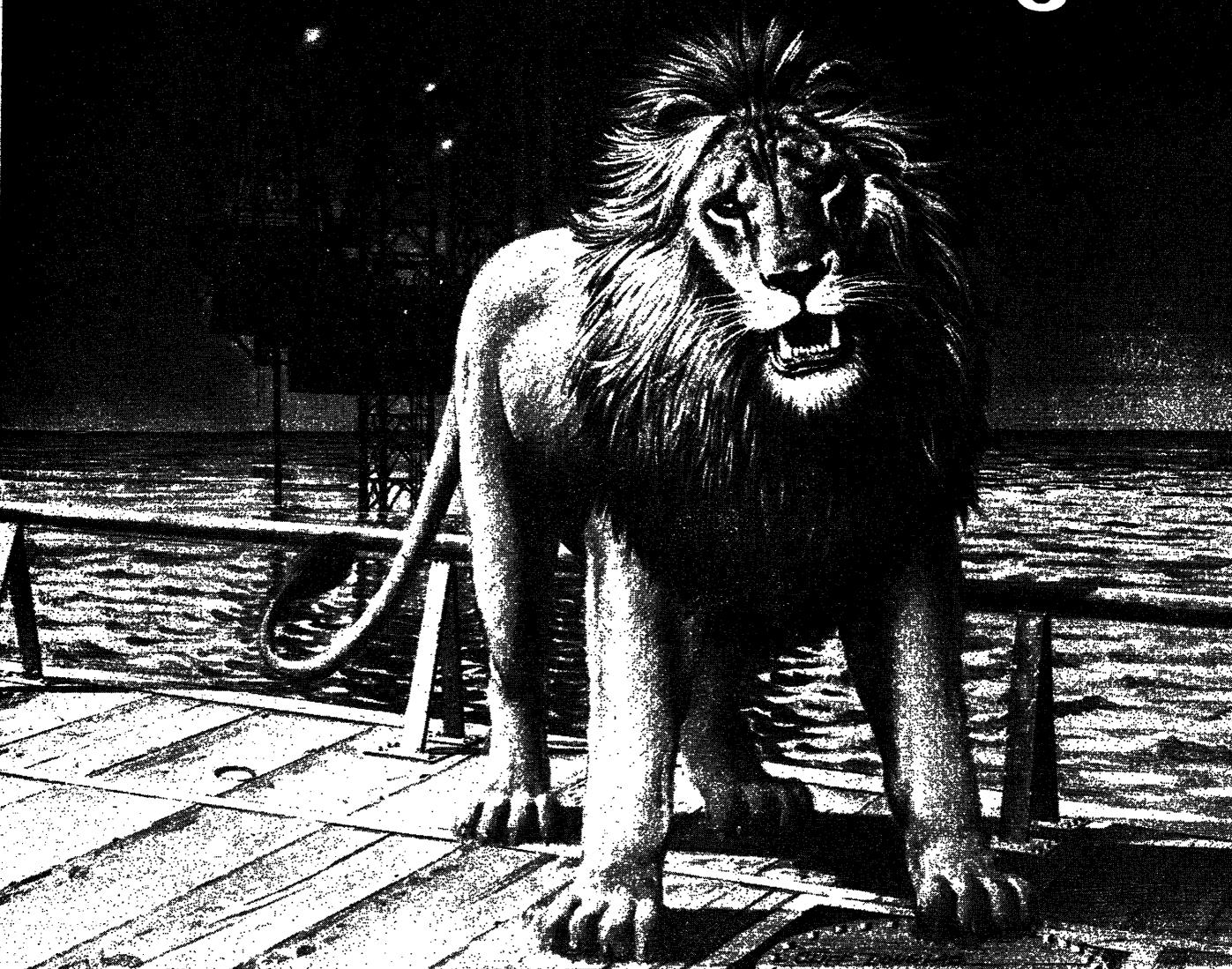
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exploration in Australia It will continue

when opportunities arise.

and expand such exploration development

throughout Australia, and elsewhere, if and

in some 36,000 gross square kilometres of

exploratory permits in the offshore

waters of North Australia and an

INTERESTS HELD BYTHE COMPANY AND ALLIANCE

P PERMIT AREAS APPLIED FOR BYTHE COMPANY

yardstick - is shown in the

In both sectors the fast growth of Western Australia is evident. That state with a territory of about 1m square miles and a population of .227,000 is getting 20 per cent of new manufacturing invest-ment — exceeded only by New South Wales and the other boom state, Queensland. It also has 31 per cent of new mining

Mr Peter Jones, Western Australian minister resources development, mines, fuel and energy, sees an important swing in Western Australian growth during the 1980s. "We cannot rely upon minerals growth alone." he says. There are not many more things to discover and the expansion of those minerals that we do have may be depressed by world recession."

The pause in the growth of the iron ore industry has been a lesson the state has taken to heart. It is also well aware that the growth of the aluminium industry as a bauxite-user may take much longer than was contemplated in the first flush of planning for the 1980s.

Mr Jones believes the factor that will bring Western Australia to the forefront of the federal economy will be the newly discovered sources of energy — coal, gas and the

at an increasing rate and has much as we did in the previous been stimulated recently by the 17 years." excitement over the Blina Well in the Canning Basin.

However, gas is the energy source that offers the best potential in Western Australia. Mr Jones says "The reserves already discovered are more than we can economically use." It was the realisation of the size of the gas reserves in relation to the economy of Western 20 years away. Australia which encouraged the setting up of a liquid natural gas export deal with Japan. The Western Australian Government sees export sales as the only development of the gasfields. the equipment and pipelines.

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are being shared between the bauxite, and diamonds. But states-investment above A\$5m already Western Australia proa project has been taken as the vides more than 20 per cent of Australia's export earnings with under 9 per cent of the population.

Sir Charles Court, Western Australian Premier. and one of the political leaders most experienced in the skills of resources development, sees 20 years of unbroken development

PATTERN OF **NEW PROJECTS**

ROY HODSON

ahead for his State. But he adds a wry caveat: "Unless the Government Commonwealth slows us down."

Relations between Western Australia and the Eastern States of Australia have never been Western Australia proeasv. mises to be a difficult youngster for the older, more staid States to get along with during the new era of fast minerals and energy exploitation.

Western Australia is already accustomed to fast growth. The skyscrapers rise on St. George's Terrace. Perth, like mushrooms in an English field. The State population has doubled in the past 20 years and will probably double again in the next 20 excellent prospects of finding years. Court has his own typic-commercial oil. During the last ally severe yardstick for the two years Western Australia future development of the State has doubled its known reserves that he largely regards as his own creation: "We will do in The oil search is continuing the current six year period as

> Queensland, like Western Australia, is a State short on people but long on resources. The Queensland uranium and coal deposits assure it a bright future and, when the economic climate is right, it is a racing certainty that the Queensland oil shale deposits will be exploited. That may, however, be

In proportion to its population Queensland has a most impressive share of manufacturing investment with nearly A\$3bn committed, representing 27 per realistic way of financing the cent of Australia's total investment in the sector. In the mining, minerals and energy Minerals development in sector Queensland ranks second Western Australian reflects to Western Australia in wealth world pricing patterns. The best terms with nearly A\$9bn bets for further development in planned spending on resources

AP284P

BASIN & AP257P

NORTH

SURAT

THE WAY the bigger manu- the immediate future appear to development representing 26 body. Drilling costs alone are facturing and mining projects be gold, copper, uranium, per cent of Australia's total. now amounting to about A\$1m

During the next few years a month. Queensland will also enjoy the benefits of being the State miles from Olympic Dam is nearest the sun in winter as far arousing hopes of another as most Australians are con- bonanza. Drilling is going on cerned. Its Australian holiday and the optimists—including trade in the Brishane and the State Government—are trade in the Brishane and Tropical holidays and charter a second Olympic Dam. sailing are becoming big business for the State.

South Australia is on the threshold of major developments in mining, mineral processing, and better use of its energy resources which promise to transform a State which has become uncomfortably reliant green light has been given for upon manufacturing industry, agriculture, and viniculture.

The present State Government is supporting uranium miningeschewed for 10 years by the previous Labour administration -and is encouraging the development of every other mineral and energy resource the State processes. There is a new, aggressive mood in the State.

The big find in recent years has been the Olympic Dam copper-uranium-gold deposits at Roxby Downs. At least A\$50m will be spent by 1983 on evalua-tion and feasibility studies of exploring the extent of the ore

Barrier Reef areas is doing well, talking about Acropolis being

Now uranium mining is con-

sidered a legitimate activity n South Australia, mines costing more than A\$100m are to be developed at the Beverley and Honeymoon deposits. The other great South Australian de velopment is the Cooper Basin gas potential. Now that the a liquids pipeline from the basin to the coast, and a more realistic gas pricing policy appears to be acceptable within the state, the Cooper Basin will be the focal point of a surge of development activity.

About 70 companies are investing in South Australia's future by participating in the most intensive programme of mineral exploration the state has seen. Much of the territory has to be explored in detail, indeed the north western sector is still virtually unexplored. Gold, diamonds, oil shale, evaporites, tin and molybdenum, the Roxby Downs ore body. iron, copper, base metals, More than a dozen drills are uranium, coal, oil and gas are expected to be on offer to

INVESTMENT PROJECTS

The Acropolis site about 15 - In mining and manufacturing; each project exceeding A55m

State	Manufa	cturing	Total ,
	ASbn	% ·····	ASbu %
New South Wales	3.34	32	7.23 22
Western Australia	2.04	20	10.49 31
Queensland	2,80	27	8.79 26
Victoria	1.24	12	2.77 8
Northern Territory	0.91		0.80 3
South Australia	0.81	3	2.54 . 8
Tasmania	0.59	6	0.66 - 2
Total for Australia	10.33	100	33.38 100

during the next 20 years must be its plentiful coal for electricity generation and export. New South Wales already. The coal deposits of Australia's accounts for 60 per cent of

demand. Locally used coal will will dominate the coal trade

world as exploration continues. about A\$11bn, the state claims New South Wales is the site the figure underestimates what of three of Australia's largest is actually happening. The cities — Sydney, Newcastle, and State Government calculates Wollongong — but its major the projects being planned in contribution. contribution to the economy New South Wales are worth A\$23bn—a 30 per cent increase over the level of a year-ago.

east coast are almost limitless. Australia's black coal produc-tion. A recent World Ceal Exports will rise as ports and Study predicts that by the year railways are built to meet world 2000. Australia and the U.S. power the development of the with more than 50 per cent of aluminium industry in the total intercontinental businessern states.

Although the list of major exports of up to 200m tonnes of capital projects lists New South coal a year from New South Wales as having a share of Wales and Queensland.

Moves to regulate some of the excesses of the past

Australian mining share market conjures up an unnerv-ing picture of something akin to a cross between a Las Vegas downtown gambling saloon and a swarthy gentleman offering get rich prospects via the threecard trick on Epsom racecourse.

To be frank, the impression is not entirely unfair but to be practical it is not going to go away in a hurry. This is not going to stop people investing in the more outrageous exploration stocks "Down-Under" any more than it has in other highly speculative markets.

Plenty of fingers have been burned, for example, in the Canadian "cats and dogs" mining issues; in South African mining stocks; and in quite a few rather improbable ventures in the "respectable" UK industrial equity markets over the

Human nature being what it way to new false hopes. The Milwaukee dentists, the bellhops and the impecunious but trusting clerics will always be with us, and so will he the Las Vegas casino operators. Epsom fairground men and the Australian mining promoters.

The Australian propensity for gambling is legendary—and thus probably overstated—with the tales of big money changing hands at the two-up schools illegally gambling on the tossing of coins in city outskirts, and all the rest of it.

But it was not until the nickel exploration boom erupted in the latter 1960s that the get-rich-quick brigade really turned to the share markets. Before then the Australian investors, such as they were, had tended to concentrate on the more solid stocks.

These included Mount Isa, since renamed MIM Holdings. which as a result of Australian demand was for a long while the only share of a world copper producer to show a dividend yield of barely 2 per cent; the Copperholt and Canadian Issues were offering 6 per cent and

Another stock that found favour Down-Under was a rather unexciting company at the time with some gold interests, called Western Mining Corporation. On April 8, 1966, the company announced that it had found what appeared to be a high-grade nickel sulphide orehody at Kambaida, 30 miles south of Kalgoorlie in Western Australia.

The FT mining column of the day duly reported the handful of drilling results released hy Western Mining and added: "Following the news of what appears to be an important nickel discovery Western Mining shares jumped 2s 3d to 24s (120p in today's metric money) in London."

The significance of this news was not immediately appreriated by the share market. Indeed, the penny did not drop until the following month when the shares of Western Mining reached 34s (170p). By the end of 1966 the price had reached 56s (530p) and the Australian nickel hoom was starting to roll. It reached its height with the

rise and fall of Poseidon, the shares of which careered up from under £1 in 1968 to an incredible £124 in February. 1970, only later to plummet into the hands of the receiver. Well hefore the peak price was reached, Poseidon was capitalised at more than Canada's well-established Falconbridge

The rise of Poseidon spawned a host of small nickel explora-tion companies, both likely and unlikely, and the irony of the situation was that Poseidon did, in fact, find a nickel mine #t Mount Windarra; for the most past.

TO MANY of us, mention of part the others found nothing the Australian mining share (apart from shareholders' money) but many of them still exist today, chasing different exploration band-waggons.

> While so much of what went on during the wild share mar-ket dealings of the day must be deplored, the fact remains that small exploration companies can and do achieve success in finding viable mining depositsalthough the success-to-failure ratio can be put at 200-to-one against.

To a large degree the share market is their only avenue for raising high-risk exploration

THE SHARE **MARKETS**

KENNETH MARSTON

markets can thus be counter- of productive in this sense, but shareholders should never commit more than a small proportion of expendable funds to this

Inevitably, the speculative side of the Australian mining share market is the one which has attracted most publicity There is, however, the other solid and much larger investment side. This should assume more and more importance in

From a mining angle, the vast country is barely scratched. Its potential may well be breath-taking. Already, huge discoveries have been made of iron ore, bauxite, uranium, base metals, coal oil and gas and even diamonds.

Furthermore, the country is also in the enviable position of having huge reserves of rela-tively cheap energy. Advantage is already being taken of the energy supplies in, for example, the refining of aluminium in Australia at the expense of the oil-based Japanese smelting plants which just cannot compete on a cost basis.

Australia is nowhere near realising her full mineral potential and in order to do so the country faces two main priorities: an adequate and reasonably stable labour force the provision of astronomical amounts of capital. As far as the money is con-cerned, a major factor is the able

country's understand nationalistic ambitions expressed via the requirement: of the Foreign Investment Review Board, Broadly speak-ing these seek a minimum Australian equity ownership and control of 51 per cent in new natural resource developments—75 per cent in the case ด์ นาลทานกา These guidelines have been

applied with a fair degree of flexibility, but there remains hard edge to the way in which this is done. Some wonder observers whether Australia han the necessary resources, willingness to employ them, in funding the required stake in huge new developments that lic ahead. At least it can be said that

for the most part both Australian financial private investors show little interest iπ seeking equity investment institutions are limited in the amount funds they are permitted to employ outside the country.

Clearly, the sharemarket will

only provide a small part of the total future financing required. large amounts of which must come from loan capital and other sources. But now there are moves to regulate share trailing and to correct some of the excesses which have marred the sharemarket image in the

of Inquiry into the securities industry, which was set up after the ill-fated nickel exploration boom, a new companies watchdog with wide-ranging powers, a takeover offer, and, as far as has just opened its doors under possible, shareholders to have title of National Companies and Securities Commission. It will seek mainly to regulate and lay down principles for takeover

The NCSC chairman, Mr Leigh Masel, has defined the equity stocks. But the citizen has also an inalienable right to make a fool of himself."

funds. Over-regulation of share was one of the worst features of the NCSC will be allowed to cross state boundaries and its laws will be based on five main principles.

informed and competitive mar-ket; the identity of major bid-as a long term investment.

Following the Rae Committee ders to be made known; shareholders to have a reasonable time to consider takeover effers; shareholders to have adequate information to properly assess an equal opportunity to participate in the benefits of an offer.

This year prices of most Australian mining shares have succumbed to the general down-trend caused by low metal prices and rising interest rates. commission's short term aims as On the longer-term view, how providing the sharemarket with ever, most observers regard full information to make it a free, honest place for people to put their money," adding "the market which is informed is the market which will be efficient and which will eacourage more people to invest directly in equity stocks. But the citizen

The exploration stocks will still be with us searching for whatever becomes the fashion-An early target will thus be to able mineral of the day and the tackle the insider trading which laws of chance will no doubt moved the worst features movide the occasional success. Whatever one thinks of the because of Australia's mineral growth potential and relative political stability, no They are: Share acquisitions diversified share portion to take place in an efficient should be without its portion of

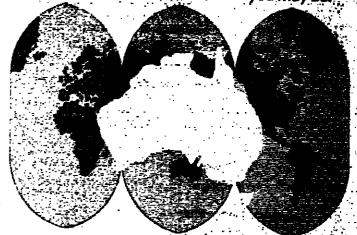
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A spectacular impact on the national economy

Australia are at pains to point out to the visitor that talk of a should strictly be limited to the energy sector, encompassing coal for export and for fuelling the new aluuranium mining, and oil and gas.

After the base metals boom of the 1960s came and went minerals exploration in Australia slumped during the 1970s. Only now is it climbing back to equal the levels of activity of 10 years ago. This time round, however, everyone in and around the mining and minerals business feels he is standing on safer ground.

backbone in the disroveries of the last 20 years, which are now being developed. earnings. The companies in-volved are bigger, better Australia there are areas which managed, and more soundly are still unexplored. Minerals are now contributing financed than during the last boom. The roles of Government, at Federal and State level, and the private sector are more clearly delineated. In short, mining in the 1980s in Australia is going to be a safer, if duller, business than in the heady frontier days which had a last

The accompanying table shows how continuing exploration of the nearly 3m square miles of the Australian continent (almost as big as the U.S.) has identified new minerals riches during the last 30 years. It is remarkable that only within that short period have many minerals which are now con-sidered sheet anchors of the Australian economy (such as bauxite, uranium, coking coal, iron ore, and oil and gas) became important.

What more remains to be discovered in this vast continent? great deal, judging by the efforts and the tremendous amount of work that still needs to be done before Australia can be considered to have been are still unexplored by professionals.

The new diamond fever is a Australia can yield unsuspected wealth. A number of diamond. pipes have now been discovered and Australia promises to be a major world producer. years ago geologists were fond of saying: "The one thing we

bust accompanied by wild stock don't have here is diamonds."
market rides in the late 1960s The Bureau of Mineral The Bureau of Mineral Resources in Canberra was not developed. established until 1946. Before developmen that little systematic work was done by the Federal Government to survey the country's

geology.

The bureau has now virtually completed a major task, the systematic mapping of Australia on a scale of 1 inch to 4 miles. Its maps have become the working tools of the prospecting companies. Prospecting

NATURAL RESOURCES

ROY HODSON

has already moved on from the art of identifying outcropping material with the aid of a pick. Adequate mapping has paved the way for the use of modern techniques to search for the deeper hidden ore bodies. The search is plunging ever deeper under Australia and is going offshore. Already such techniques have yielded a great deal. including the new find of a copper, uranium and gold ore body estimated to be around 500m tonnes at Roxby Downs,

Now exploration by satellites is being developed and Australia is planning to have her own resources satellite. Surveying from space promises to speed up the location of minerals wealth remarkably. Satellite data is already being "massaged" by computer enhancement techniques to try to spot patterns, similarities with known deposits, and interesting anomalies. Even the pigmentation of surface vegetation as recorded from space can give clues to minerals being

present in the ground. Australians do not allow themselves to be depressed for more than occasional moments by the current world slump in minerals demand and consequently in

Sir James Foot, chairman of MIM Holdings, said: "I can dramatise the great importance of exploration in this way. Consider that the Mount Isa Mine currently ranks among the world's top 10 copper and zinc producers, is the world's biggest single lead mine, and the world's second biggest producer of silver. Recent projections of world metal consumption have shown that to provide the world with the additional copper it needs, in 15 years time 30 more Mount Isas are required to be developed. To provide the addi-

20 more Mount Isas must be developed. These additional current producers continue to produce, and no allowance is made for the replacement of reserves nor for the exhaustion

of existing mines." Mineral exports now account for about 35 per cent of Australia's total export earnings. Some commodities account for about 90 per cent of earnings. As world economic activity picks-up again the Australian mining industry is confident that it will be in a favoured

The development of Australian iron ore has suffered a setback making recession. Nonetheless, the iron ore mining companies are confident that the take by their principal customer, Japan, will improve again and that Australia's iron ore trade can march in step with the expected slow but sure expansion of world steelmaking during the

Australian Outback is one of the world's few remaining major deposits of minerals. The resources available within the continent are far greater than the present population of nearly 15m people or any reasonable projection of future population can hope to use themselves. Australia will be one of the great supermarkets resources to the world for many years to come.

Already the states and Canberra will agree that Australia holds about 20 per cent of the world's uranium reserves, enough coal to meet world demand for at least half a century, and iron ore sufficient to meet current steel industry demands worldwide for many years (or the needs of the favoured customer, Japan, for 1,000 years).

About 25 per cent of mineral raw materials produced in Australia are currently processed within the country. The processing of ores to further stages includes about 96 per cent of the nickel produced, 84 per cent of copper, 81 per cent of lead, 55 per cent of zinc, and 53 per cent of the ores.

of tin ores. With minerals exploration in Australia surging to a new peak of some A\$400m spending this year it is a statistical certainty that the rate of discoveries of promising ore bodies and of oil and gas will increase. There is every reason to believe that this newly diverse and soundlysupported search for minerals will continue and that it will, in turn, have a spectacular effect upon the Australian

SPENDING ON MINERALS EXPLORATION 160



The Hartogen Group is one of Australia's most active - and successful - explorers for hydrocarbons. Last year Hartogen companies drilled 19 wells on their own account or in joint venture. Of these, nine flowed natural gas and one, oil. This year the target is 30 wells with a similar number planned for 1982.

Main focus of this intensive two-year programme will continue to be the Surat Basin in Western Queensland, on and around the Group's natural gas fields. The Kincora field is in its fifth year as a producer supplying gas to the State capital, Brisbane as a feedstock for fertiliser. Further successes on the Surat acreage will boost Hartogen's capacity to supply the Brisbane market long-term.

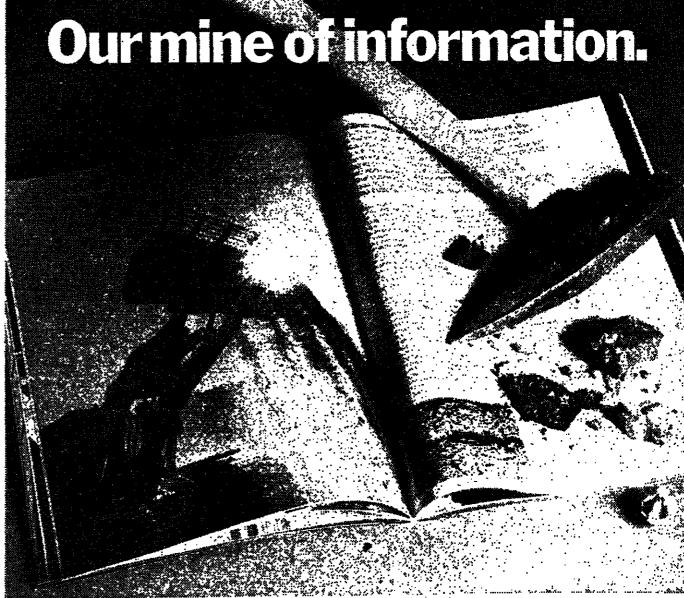
The Group's off-shore plans centre on drilling a step-out well to the Tern gas discovery

in the Joseph Bonaparte Gulf, towards the end of 1981. This well and the ongoing programme may determine the viability of a development project on the Tern field near the West Australian

Providing a balance to Hartogen's oil and gas production and exploration activities is its .50% interest in the Wambo Colliery at Warkworth, ... New South Wales. Wambo produces soft coking and steaming coals for the export market and proven reserves of in situ coal down to 300 metres total 327 million tonnes. The Group's coal base has been expanded with Wambo Mining Corporation Pty Limited's participation (20%) in the adjoining United Collieries project at Warkworth. This property has proven reserves of in situ coal down to 300 metres totalling 192 million tonnes.

The Hartogen Energy Group

Hartogen House 15 Young Street, Sydney NSW 2000 Australia Telephone (02) 27 2121 Telex AA 22481



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We're an Australian company with a story to tell the world. Much of it is in this book, including a history of CRA, from our beginnings at Broken Hill in 1905 up to the present day. The book describes the

development of our major operations and our activities in energy, metals and other fields. If you'd like to read about a dynamic company in a dynamic country drop us a line at either of the addresses noted below. Get some down-to-earth facts about Australian resources. They are important to customers and investors alike.

Central Registration Limited, 1 Redcliff Street, Bristol BS1 6 NT.

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Aztec Exploration Limited

Aztec Exploration Limited has been a basemetal and gold explorer in Western Australia for over ten years and has recently become a listed public company.

The company is part of the Golden Grove Mining Group which also comprises the two listed public companies Golden Grove Mining NL and Amad NL. The group is Australian owned with substantial cash assets and has a flexible attitude to exploration investment opportunities and joint ventures. It has established expertise in basemetal and gold exploration and seeks to expand into other resource areas.

Aziec Exploration Limited is involved in significant exploration projects notably the Golden Grove Property at Yalgoo and the Mr Magnet Gold areas at Mr Magnet, both in Western

The company is in joint venture with Esso Exploration and Production Australia Inc., Amax Exploration (Australia) Inc. and Electrolytic Zinc Company of Australasia Ltd at the Golden Grove property. This property comprises:

1. Announced reserves at the Gossan Hill locality of 18.7 million tormes of indicated and inferred ore averaging 3.4% copper, 0.14 grams/tonne gold and 13 grams/tonne silver at a 1% copper cut-off.

New zinc and copper-rich discoveries, notably at the Scuddles locality. These are highlighting the possibilities of substantially increasing tonnages of ore defined within the

Exploration has accelerated rapidly in the area and interim pre-fessability studies are presently being carried out.

Aziec Exploration Links exploring gold prespects at Mit Magnet and will shortly commence an extensive diamond drill. programme in an attempt to define gold ore at and in the vincinity of a series of old gold mines that form the Mayflower Group. These gold targets are considered of high potential.

The Mi Magnet goldfield has been a significant gold producer. in the past and includes the famous Hill 50 gold mine.

Both Azes and the Golden Grove Group maintain an expanding exploration programme and aim to maximise participation in the present phase of Australian resource

> Aztec Exploration Limited 189 St. George's Terrace Telephone: (09) 321 8833 Telex: 94202

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"Leveraged Leasing" and
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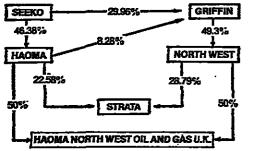
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TOTAL ENERGY GROUP IN THE MAKING

Seeko Industries Ltd.: Griffin Coal Mining Company Ltd,: Haoma Gold Mines N.L.: North West Mining N.L.: Strata Oil N.L.: and Haoma North West U.K. Ltd.

Seeko Industries is the holding company of this solidly-based, rapidly expanding energy group. Griffin Coal Mining Company is one of only two companies producing coal in Western Australia. Coal is at present the State's major source of energy and the Company produces in excess of 2m tonnes per annum from its substantial proven reserves with further expansion under way. The Group

GROUP STRUCTURE



Haoma and North West have active exploration programmes in their traditional areas of gold, base metals and diamonds. Strata Off N.L. was floated in 1980 to take over the Australian oil and gas interests of Haoma and North West which remain the largest controlling shareholders. Shortly after its public debut, Strata made a

major commercial discovery of gas in the Woodada structure of the Perth Basin, a short distance from an existing gas pipeline. Indications of oil have also been encountered in the Woodada field. Strata also holds Local Managing Director:

London Information Office:

prospective acreage in other areas including the offshore Perth Basin and the onshore Canning Basin. The directors intend to expand the Australian interests.

OVERSEAS EXPANSION

Active expansion of the Group's petroleum interests in the U.K. and N. America will be conducted through the jointly owned principal company being Haoma North West Oil and Gas U.K.

In the U.K., through its participation in two consortia with Candecca, Taylor Woodrow, RTZ, and James Finlay, Haoma North West. has established a substantial position in onshore exploration and production licences in Yorkshire, Humberside and Scotland.

The consortia are carrying out an aggressive seismic and drilling programme in these areas and have been awarded further exploration licences in Central Yorkshire.

In North America, Haoma North West has to date participated in the drilling of 44 wells, of which 28 have been successful gas discoveries and two of them successful oil discoveries. These wells are situated in Alabama, Louisiana, Ohio and Alberta, Canada. The Group is actively expanding its interests in these areas and has recently taken a major interest in two prospects in the Permian Basin, West Texas.

GROWTH AHEAD

period of sustained expansion and looks to exciting prospects ahead for its coal, oil and gas and mineral assets.

The Seeko Group has forecast 1981/2 as a

Mr. Alan Geddes, 159 New Bond Street, London W.L.

City of London Financial Public Relations 42 New Broad Street, London E.C.2 Tel: 01-628 5518/9 Telex: 8811725 CTTLONG

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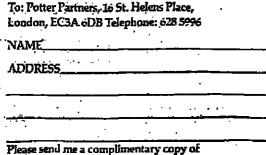
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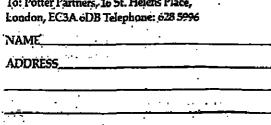
"Australian Energy Resources

London EC3A 6DB Telephone: 01-628 5996, 01-628 0622

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Potter Partners have published. "Australian Energy Resources," a 95 page report reviewing the Energy sector and including details of 48, conyavies.





Export capacity may double in three years

BRIDGE to the countries wrestling with grow-Future"—the report of the ing energy bills, Although crude World Coal Study Group headed oil prices have temporarily Australia is the most preferred owned subsidiary of the Oaksupplier in the eyes of almost all importing nations, ahead of the U.S. and well ahead of South Africa and Daland

Yet as demarcation strikes continue to disrupt exports through the key New South Wales port of Newcastle, as planners struggle to catch up with the infrastructure needed to support the giant opencast collieries and as governments seek to collect a large slice of the take, there are many within Australia who wonder whether the country will be able to live

Despite the problems, how ever, the figures of Australia's coal bonanza speak for them-selves. The country is likely to double its coal export capacity within three years to about 65.5m tonnes.

Next year Queensland coal production is set to top 33m tonnes, 15.78 per cent up. Accurate projections for NSW cannot be given because of the uncertainties in industrial relations and transport bottlenecks which affect output. Production there in 1979-1980 fell to 48.71m tonnes from the previous year's record of 50.51m tonnes because of disputes, but in the financial year just com-pleted it is thought that a new record of around 55m tonnes

Inevitably, Japan is Australia's major coal customer, taking just over 30m tonnes last year. But it is no longer the dominant partner it once was, despite the doubling of its purchases of Australian coal since the late

In 1968-69 13.98m tonnes were shipped, giving Japan 97 per cent of exports. Its share today is below two thirds. South Korea, Taiwan and northern Europe have been the major regions supplying a better palance to the export pattern. Last year northern Europe, particularly France and Britain, took over 8m tonnes of Australian coal, while Korea took 2,28m and Taiwan 1.77m. So it is clear that Australia

now has special significance in

the energy plans of a number of

the Massachusetts Institute moderated, an exercise under-Technology - found that taken by Coalex Pty, a wholly-

> In the exercise it was assumed that there should be U.S.\$20 per tonnes demerit for coal, that ocean freight to Japan costs U.S.\$10 per tonne and that the exchange rate is A\$1= U.S.\$1.15. The exercise indicated that a crude oil price of U.S.\$30 per barrel would equate with a steaming coal price of A\$76.97 fobt (free or board and trimmed). Correspondingly, prices of U.S.\$35 and U.S.\$40 per barrel would justify steaming coal prices of A\$93.81 and A\$110.65 respectively, based on energy equivalence.

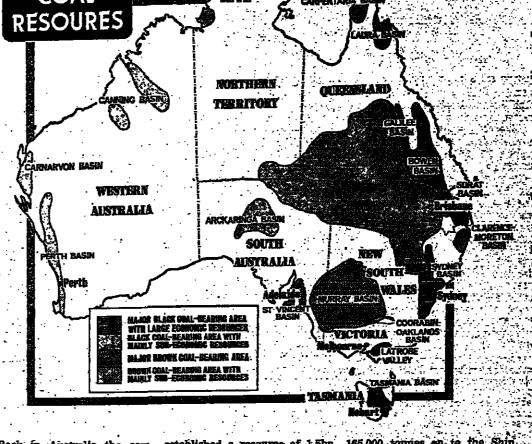
COAL

COLIN CHAPMAN

Needless to say, Australian coal prices are nowhere near May the six New South Wales coking coal companies won price leadership in the world market by obtaining A\$49.50 fob a tonne from Japanese steel mills for 1981 sales. This represented an increase of 32 per

The Australian producers, long attacked by trades unions and some politicians for selling off coal too cheaply, used Japan's slightly weaker market position to adopt a new negotiat-

The companies—Buchanan Borehole, Cail, Clutha, R. W. Miller, Bloomfield Collieries Peko-Wallsend - met secretly for several months to finalise their tactics before telling the Japanese steel mills they would have to deal with all six. At each successive meeting with the mills, the job of negotiator was rotated between executives of three of the companies, which told the Japanese bluntly that this was being done to avoid any one person being "picked off."



Back in Australia the companies met each week to reinorce their own determination to stick together. They also pooled their intelligence and, contrary to previous occasions, gained a detailed knowledge of the Japanese stockpile and the blends of coal available.

Australia's new-found bargain-ing will-power also coincides with a drift away from exports. will continue to rise sharply in volume terms, but the percentage share of total output will fall as more coal used in power generation, itself in the process of great expansion because of the demands of the new aluminium smelters. Australia hopes to get up to 12bn tonnes of extra aluminium smelting capacity by the mid-eighties and this will be fuelled by coal-powered generators. At a cost of over \$10bn output will be increased from 23,700 Mw to 33,000.

A longer term prospective use for coal would be liquefaction. Feasibility studies on the economics of Australia's first coal-tooil plant are continuing.

The Australian Coal Corpora-tion—comprising Peko Wall-send with 22.9 per cent, Morgan Grenfell Australia (4.6 per cent), Natul Mutual (22.9), Oil Company of Australia (22.9) and Resources Development Corporation (26.7)—wants to build a conversion plant using the Sasol technique at the Walloon coal deposit at Millmeran, miles south-west of Bris-So far the study has

established a resource of 1.5bn tonnes of suitable coal in five potentially economic deposits, with additional reserves of about 50m tonnes.

plant could be built in 60: months at a cost of A\$28bu. A further A\$950m would be spent on infrastructure; A\$500m for a 800 mw power station; A\$250m on 3,000 houses of per-manent staff who will operate the plant; and A\$200m for the and pipeline supplying water.

when fully operational the plant will produce 65,000 barrels of liquid transport fuel from 25,000 tonnes of coal. This amounts to 22m barrels a year,

tricity commission of Victoria, ment in the NSW industry, which produces about 30m alone and in June employment tonnes of brown coal from its mines in the La Trobe Valley The industry is desperately for power generation. It is the short of senior technical and convertional managers with me country's largest miner.

By far the largest export prointerests in five opencast mines in Queensland. It mines over 3m tonnes a year from its Blackwater operation, and its 76.25 per cent interest in central Queensland coal associates brings its total yield to well coal when over a 41-hour period in April, it loaded

raw gas and condensate.

coast from Perth northwards.

population

than ASIbn.

165,000 tonnes on to the Shin Ogishima Maru bound, for

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The Queensland ports have been relatively free of The consortium believes its industrial proble situation is bad in New South Wales, particularly at Newcastle, where a demarcation dispute on who should run and operate a third coal loader has caused endless held ups

Shortage of skilled manpower rather than industrial problems, is likely, however, to be the major problem holding back the development of the coal industry. A recent study by the Joint Coal Board in New South Wales showed that new jobs are being created in the coal. amounts to 22m barrels a year, about 15 per cent of Australia's current needs.

But all this is in the future.

The present is dominated by producers like the State Electricity commission of Victoria, ment in the NSW industry.

operational managers, with no immediate solution in sight. In ducer, however, is Utah, with my 30 years of association with interests in five opencast mines the cost industry there has always been a shortage mining engineers," says Professor Frank Roxborough, head of the University of New South Wales School of Mining Engineering. "But it has never been more acute than it is now. It is likely to become so serious over 20m tonnes of raw coal been more acute than it is now. This group calebrated the It is likely to become so serious world's largest shipment of that many of the proposed new coal mines will have to be

New Japanese agreement signed

early stage in serious exploration, Australia has proved to be gas-rich continent. So abundant indeed are the reserves so far discovered, that a group of Australian companies have just been able to conclude an agreement with Japan for

the supply of 6m tonnes of liquefied natural gas a year for 19 years from new off-shore fields on the north-west continental shelf. Shipments will start in 1986.

But natural gas is providing as many headaches as good news. The trouble is that Australia is a very big country and the gas resources discovered so far are remarkably ill-distributed in relation to the near-15m population. Known gas reserves in central areas of Australia—notably the Cooper Basin, which is shared by two states, South Australia and Queensland, in the eastern re-gions, and in the Bass Straits. are already heavily committed.

Gas at present under contract to distributors is not sufficient to meet expected market growth for the populous three south-eastern states of Australia up to the end of this century.
Yet there is scant prospect
of the eastern states being able

to draw upon the abundant new gas finds of Western Australia in the foreseeable future. A gas pipeline of well over 2,000 miles would be necessary across empty lands with no prospect of significant sales along the route. Before serious consideration is ever given by the Federal Government and the states to such an investment a lot more prospecting for local oil and gas will take place in central and eastern Australia.

Many of the natural gas dis-

coveries onshore and offshore in Australia have come as a by-product from the acrelerating search for oil. evident," states the Australasian Institute of Mining and Metallurgy, "that Australia's sedimentary basins are gas-prone." Of the total Australian petroleum discoveries so far the heat energy in natural gas reserves

has been double that of the oil reserves. During the next few years the natural gas industry will be sharply divided into two sectors. Already it is clear that

Gippsland (Bass Straits)

Surat (Queensland)

Queensland)

Perth (Western Australia)

Cooper (South Australia and

ALREADY, at a comparatively nent are abundant enough to is planned to release more gas supply forecast requirements well into the next century and τoarkets. to permit substantial exports as Higher consumer gas prices well. The fields in the west, therefore, will be export-oriented, starting with the Japanese contract. They will in addition provide Western to match the worth of the fuel

provide with substantial Australia quantities of gas for the development of basic industries, in particular the processing of bauxite into alumina for the ambitious aluminium production plans in that state.
In the eastern half of the

continent exploration for more gas will continue. New pricing and supply arrangements will

> GAS ROY HODSON

be necessary to ensure that available gas can be so sold and distributed as to avoid shortages of gas supplies occurring as industrial and domestic demand continues to grow.

Drilling has been stimulated lately since the Federal Government introduced a parity pricing policy for Indigenous Australian oil by basing the price on Saudi Arabian crude. More than 30 rigs will shortly be operating onshore. They will represent by far the biggest onshore search yet conducted in Australia and are expected to identify new reserves of both oil and gas.

There is strong pressure in south and east Australia for some of the older gas contracts to be re-negotiated. The whole nature of long-term contracts to supply the various states, and the relative inflexibility of the pipeline links which pose oblinations on both the sellers and the buyers of the gas. In South Australia, for in-

stance, the price at which gas is being sold is almost certainly healthy exploration in the Cooper Basin is to be supported to discover further supplies. miles by road north of Perth, Cooper Basin gas is also being the capital of Western Ausused rather prodigally to power an Adelaide power station. The total reserves across the conti- latter's conversion to local coal

GAS PRODUCTION

3,039

5,929

1977

835

231

3.257

1978

3,461

828

285

2,751

7,325

for the domestic and industrial

and the need to support exploration appear to be inevitable in eastern Australia quite shortly. The east realises that after the remaining gas reserves in the area have been discovered and committed—and they include gas from the prolific Bass Straits oil and gas fields -the economies of the eastern states will have to be switched partially to other fuels as industrial growth continues.

In addition to the big finds made already in Western Australia which will provide for the Japanese contract and local demand there are further unappraised discoveries at several places in Western Australia, including Scott Reef. Brecknock and Scarborough. Large finds of gas have also been made in deep water off the west coast. But with present technology that gas would not be economic In the absence of a trans-

continental gas pipeline, however, experts are in broad agrement that it will not be economic to transport western gas by tanker around the coast to the south-eastern Australian markets. Japanese

The Japanese recently cleared the way for the signing of the North-West Shelf gas contracts with Australia when several Japanese power supply companies agreed among themselves on terms for the purchase of the gas in liquid form. The LNG will be sold by Shell Australia, BP Australia, BHP and California Asiatic. Woodside, which has a half question is complicated by the share of the huge fields, has agreed to sell its share of the export gas to Shell and BP.

The realistic cost of the North-West Shelf project by the time the exports to Japan are flowing is reckoned at some A\$8bn.

The gas is to be produced through two offshore platforms below the levels necessary if in the early years, sited about 80 miles off the coast. Dampier the nearest port, is nearly 1,000 tralia. Construction will be a major engineering task in this hot and comparatively remote

4.330

310

3,640

9,129

1980

4,085

\$60

322

3,720

part of Australia, Each of the two platforms will weigh more than 45,000 tonnes—which is more than the main span of Sydney bridge, as they are pointing out in Western Australia with the pride of pioneers. A submarine pipe about 1 metre in diameter will bring the gas ashore to a plant near Dampier. It will deliver both

Australia is expected to conmade available to encourage trol the shipping of the gas. The industry quickly and adequately shipping side of the new trade will itself amount to a massive —but always at a commercial price. Mr Peter Vernon Jones, the Western Australia Minister investment. It is being estimated that seven LNG tankers for Resources and Energy, said will be needed at a cost of more flatly, supporting that policy. There will be no subsidised Western Australia at present is

But there will be the expen-1.2m, of whom some 800,000 live in the Perth area. The sive new pipeline to build to bring the gas down the west north west gas project is coast. The state Energy Comexpected to generate 5,000 jobs mission will be responsible for during the next few years and that project and for marketing the gas. The commission will will have an important effect upon the development of the spend A\$630m on it at current costs. The large size of the coastal pipeline (26-inch diameter) is being justified by The present attitude of the Western Australian government led by the veteran Liberal polia deal to sell half the gas ear-ried to Alcoa for powering its bauxite and alumina operations.

WESTERY AUSTRALIA

GAS PIPELINE

tician Sir Charles Court is that Western Australia's gas shall be CHARTERHALL RESOURCES AUSTRALIA LIMITED member of the Charterhall Limited International Oil and Minerals Group of Companies) Australian Group Operating Companies: Charterhall Oil Australia Pty. Limited Charterhall Mining Exploration Pty. Limited Charterhall North Sea Oil Australia Limited Exploration -Oil and Gas Offshore and Onshore Base and Precious Metals

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Important shift towards processed materials AUSTRALIA'S FIRST fundamental shift from being a supplier of energy and minerals supplier of processed materials to the world towards being a supplier of processed materials to be the development of a dustralia as a major supplier of the development of as a major supplier of processed materials world-scale aluminum metal to the fruity world-scale aluminum metal to the order of world the schemes now reach. But the will to continue with the programme is undiminished. Alumax of the U.S. recently and minerals at least as much again. Thus development of Australia smelter programme. But the reason for Alumina production has followed the development of alumina production has followed the development of bauxite and since 1976 Australia as been the biggest alumina on shared basis linked to their world with an oany disenchantment with the Australian scene. Alumina production has followed the development of bauxite and since 1976 Australia in the bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia in the survive and since 1976 Australia as a major supplier of processed production has followed the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and shared the development of bauxite and since 1976 Australia and the development of bauxite and since 1976 Australia and shared the development of bauxite

aluminium smelting capacity during the 1980s. That will be sufficient by itself to supply world growth in aluminium demand for a period of several years. Total smelting capacity in the non-communist world stands at present at round 13m

Australia now has under 400,000 tonnes of smelting will be back on a growth curve capacity. The addition of the order of 2m tonnes quickly and without interruption to the programme will place considerable strains upon the country's resources, although it will be largely financed by foreign capital. It amounts to one of the biggest rounds of investment in a single industry in one country that the world has

The smelters will themselves cost some A\$5bn. Associated investments in bauxite and

If all the schemes now reaching the final approval stage go third of the A\$33bn which is always up to some 2m tonnes of Australian economy during the aluminium smelting apparity. next eight to 10 years. Although

the aluminium industry is under pressure this year because of an unaccustomed pause in growth in demand for the metal -world consumption may even decline by about 1 per cent during 1981—the industry has tremendous confidence that it of between 3 per cent and 4.5 per cent a year by the end of 1982. That is why the Australian aluminium programme is unlikely to be seriously damaged by the poor current markets for aluminium.

Even an industry with the ebullience of the big aluminium producers cannot, however, totally ignore the loss of a year s growth, plus the prospect of Alcan's planned smelter of to the Perth area from the higher increases in production 200,000 tonnes at Bundaberg, newly discovered fields in the costs during the 1980s than Queensland. The start of conearlier forecasts suggested. The earlier forecasts suggested. The struction of that project has impact upon the Australian been postponed and for the

Alumax of the U.S. recently dropped out of a partnership with BHP to build a 236,000 tonnes-a-year smelter at Lochin-var. Alumax is thought to have been worried by rising labour costs and new estimates for the construction and operation of

the plant.
The cost of building Lochinvar in the Hunter Valley, New South Wales, has risen by 40 per cent since Alumax was first committed to the project, while estimated operating costs have risen by 25 per cent during the same period. Nevertheless BRP is not at all concerned about its ability to find a new partner to restore the consortium and has been interviewing a short list of most favoured applicants.
The only other casualty in

the aluminium investment processing alumina, the natural round programme has been gas that is to be piped down

ALUMINIUM ROY HODSON

Aluminium production begins with the bauxite ore. Since significant quantities were first mined in Australia in 1963 investment in bauxite production has grown at such a rate that Australia is now the world's biggest producer, supplying more than 30 per cent of global needs. Alcoa is the biggest bauxite producer, with three mines in the Darling Ranges of Western Australia and ambitious plans to make use for gas that is to be piped down

alumina production, and energy aluminium programme of such time heing at least, Bundaberg Weipa. Northern Queensland, develop and diversify quickly supplies in the form of gas pipe- problems is likely to be seen must be regarded as a possi- and the Gove Joint Venture has given a sound base of natural

north-west.

-about 25 per cent of world production. As the smelters come on stream there will be a significant shift from the export of alumina to its conversion into metal within Australia. A leading mining company,

CRA, is now getting into Australian bauxite and alumina in a big way and quite separately from its associated aluminium company Comalco (45 per cent CRA and 45 per cent Kaiser aluminium). CRA has a 52 per cent share in a consortium to exploit 250m tonnes of good bauxite in the Mitchell Plateau in the north west of Western Australia. Recently a A\$25m programme has started to con-duct detailed feasibility studies Die duct detailed feasibility studies Discussing the broad strategy into the project during the next of the Australian Federal three years. The bauxite mine would be linked to a new alumina plant sited north of Perth. That would mean a A\$1hn-plus investment.

north-west. The venture is particularly Comalco has the biggest interesting because it demon-

prospects of processing its own inquiry into the development of alumina share by taking a partownership in a smelter. So CRA under way. ownership in a smerter. So care might become a world supplier of aluminium in its own right velopment of a massive and viable Australian aluminium into the decade.

The argument for taking that route instead of continuing to invest in aluminium via Comalco alone is that Comalco will be fully engaged to the limit of its resources with its own expansion plans in Australia. Comalco is leading the consortium which is to build a new smelter at Boyne Island, Gladstone, Queensland, eventually destined to produce more than 400,000 tonnes of aluminium metal a

Government and the state governments to attract money into Australia rapidly to develop aluminium, a senior civil servant in Canberra put it in a nutshell: "At between A\$1,500 and AS2,000 a tonne for aluminium metal it beats the hell out of exporting bauxite." have entered a The added value that will ible negotiation.

dustry is of course the cost of power. Those international aluminium producers which early in the day believed they would get their power at bargain basement prices have long since had their fantasies dispelled by some blunt speaking from the politicians and some rough negotiations. Most of the power prices will be pub-lished and they will be realistic-ally pitched to the situation Australia finds itself in.

Negotiations with the state electricity authorities were at secrecy to arouse political oppo-sition on the grounds that Australia could be "giving her energy away." But as the true costs and problems of expanded coal mining and the creation of new power supply systems has become appreciated both sides

Aluminium smelter

projects NEW SMELTERS ORTLAND, Victoria. Alcoa: 132,000 tonnes a year capacity by the mid-1980s going to 528,000 tonnes a year by 1989

BUNDABERG, Queensland. UNDABERG, Queensland.
Alcan: Originally to be
200,000 tonnes a year capacity
by 1986 and 296,000 tonnes a
year by 1989. Alcan has now
decided to delay construction TOMAGO, New South Wales. Pechiney, CSR and others: 220,000 tonnes a year by 1985 BOYNE ISLAND, Gladstone,

Queensland: Comalco. Kaiser, and Japanese interests: 103,000 tonnes a year by the mid-1980s going to 412,000 tonnes a year by 1989 LOCHINVAR, New South Wales. BHP and others: 236,000 tonnes a year by the mid-1980s **EXPANSION OF EXISTING** SMELTERS

POINT HENRY, Victoria, Alcoa: Increment, 65,000 tonnes annual capacity by this year KURRI KURRI, New South Wales. Alcan: Increment, 67,000 tonnes annual capacity

BELL BAY, Tasmania. Comaico: Increment, 5.000 tonnes annual capacity by 1982 ALSO BEING CONSIDERED WESTERN AUSTRALIA: A new smelter of 220,000 tonnes a year capacity. Alcoa is interested, also a rival consortium of Reynolds, Shell and CSR

Rumoured discoveries send share prices soaring

DESPITE THE current world permit holders in adjacent 3 well saw Strata's shares oil glut there is nothing that acreage. excites stock markets more than an oil discovery, and nowhere more so than in Australia.

A proven find or even the faintest whisper of a find can Australia, Genoa Oil, Meridian around 80p; they have since produce a possible doubling or even trebling of the share prices of the companies drilling the well and of those holding exploration permits in territory adjacent to the proven or rumoured discovery.

A classic example of this was the recent Blina 1 oil discovery the Canning Basin of Western Australia by a con-sortium comprising Vamgas, of the oil and gas exploration arm of the Haoma Gold/North West Home Oil Australia, Alberta Mining group, were changing Eastern Gas and Occidental. hands around 10p a share Shares of Vamgas, the only quoted Australian participant, the company's first exploration predictably leapt from around £4 to £8 after the announcement of the discovery, but an equal amount of speculative money Woodada 1 and 2 wells and was poured into exploration traces of oil from the Woodada effect that Exxon would erect a A\$700m. Mr Clifton Garvin, capital appreciation—will follow

These included among others mining giant Western Mining.

Other instances of spectacular stock market gains following hydrocarbon discoveries are highlighted by the performance floated in November 1979 as before the drilling success of well in the Perth Basin of Western Australia

spiral to more than £2. Technical others difficulties preventing precise Swan testing of the third well caused Eagle Corporation, Swan testing of the third well caused Resources, Australian Consolia a shake-out in Strata's share dated Minerals, Oil Company of price which subsequently fell to Oil, Santos, Pan Pacific rallied awaiting the delivery of Petroleum and the Australian an up-rated drilling rig at the Woodada 1 location and further

testing of Woodada 3.
On the other side of the coin, potential investors should realise that investment in of Strata Oil in the wake of Australian oil and gas stocks the Woodada gas find. Strata, can be perilous, witness the Australian oil and gas stocks Rundle "twins." Central Pacific Mineral and Southern Pacific Petroleum, which between them the huge oil-shale deposit at Rundle in Queens-Rundle is estimated to contain around 2bn barrels of

In July 1980 the "twins" Sizeable gas flows from the signed a heads of agreement with America's Exxon to the

MARKET DEVELOPMENT

STEPHEN THOMPSON

pilot plant, conduct a feasibility study and eventually spend up to U.S.\$16bn on the development of the project with the hope of output of between 180,000 and 240,000 barrels of oil daily. By the end of September 1980 CPM had risen to 405p and SPP to 152p.

however, the picture had changed. Exxon revised its agreement on the project and dropped plans for a pilot plant after the latter's estimated costs rose to more than A\$2bn from and hope that dividends-

Exxon's President said the or take what is hopefully a good Swan Resources, Eagle Corpora-major hydrocarbon discovery. Rundle project could not be profit on the drilling success. developed economically at cur
The search for such a comand Pan Pacific Petroleum all Hill Proprietary. Australia developed economically at current world oil prices. CPM and SPP promptly slipped to a fraction of their former price.

So while big profits can be made in down-under oil and gas markets there is also the downside risk, and that risk can be substantial if initial drilling and

development hopes are dashed. Investors prepared to take a risk on one of the smaller purely exploration outfits should look for a company with largely unexplored acreage where an extensive drilling programme is planned-either by the company or a consortium holding territory surrounding the explora-

tion permit.
All the investor can then do is sit tight and hope for the best. If the drilling is success-ful the investor can hold on

pany is difficult and every junior exploration outfit will make encouraging noises about the potential of its oil and gas permits. Among the juniors about to embark on exploration in the Canning Basin, although projects is Weeks Australia, the share prices of all these com-Australian exploration arm of the Bermudz-based Weeks Petroleum which derives the major portion of its earnings

from à 1.378 per cent royalty on hydrocarbons produced from the Bass Strait fields of BHP/ Weeks Australia, the public flotation of which is imminent,

has exploration permits off the coast of Australia's Northern Territory, a 24.5 per cent interest in waters in the Gulf of Carpentaria, and a 16.67 per cent interest in extensive acreage in New South Wales.

come into the category of junior exploration outfits and have the advantage of holding the recent Blina 1 oil discovery panies have appreciated strongly since the oil strike.

Another junior is Pancontin-

ental Petroleum, the oil and continental Mining, which retains a 52 per cent interest in Panconfinental Petroleum. The latter has exploration acreage in five basins and is operator for a major exploration programme in the Amadeus Basin.

oil and gas producers and should be producing 6m tonnes explorers is a safer bet and of LNG, 1.4m tonnes of condenusually carries an equal possi- sate, 640,000 tonnes of LPG and creage in New South Wales. billity of substantial capital 4bn cubic feet of natural gas a The previously mentioned appreciation in the event of a year.

This category includes Broken Hill Proprietary, Australia's largest company, BHP has a 50 per cent interest in the Bass Strait oil and gas fields which were discovered in the mid 60s. The Strait produces more than 90-per cent of Australia's oil output and contains known recoverable reserves of around 2.664m barrels of oil of which 1.400m have been extracted. BHP also holds a 19 per cent gas exploration offshoot of Pan- stake in the North West Shelf gas project.

Another of Australia's leading long term oil and gas invest-ments is Woodside Petroleum, which has a 50 per cent interest in the North West Shelf proin the Amadeus Basin. ject. By the time the project
Investment in the established gets into full production it



CRUSADER

THE CRUSADER GROUP OF COMPANIES AYEAR OF PROGRESS JUNE 1980-JULY 1981

January

February

March

May

June

1980 June

Crusader awarded the 30,000 sq.km. Mayne River Authority to prospect A.T.P. (279P) in the West Galilee Basin, Queensland.

Farm in agreement completed for the Wonolga block (ATP.251P) adjacent to the Thomby Creek Oil Discovery, Surat Basin, Queensiand.

Marine seismic survey completed on offshore Canning Basin permit W.A. 117P.

July

Thomby Creek No. 2 well tests 360 barrels oil per day.

August

Aberdare Collieries completed first major coal export shipment from the port of Brisbane to Showa Oil Co. Ltd. of Japan.

Della No. 11 development well, Cooper Basin, flows 10.8 million cubic feet of gas per day from the Patchawarra formation, confirming significant deeper gas reserves in the Della Field.

.October

A successful placement of 1,700,000 shares at three dollars sixty cents per share raises 6,120,000 dollars of additional capital funds.

A farmout of up to 40% interest in the Baralaba, Central Queensland, coal mining leases and A.T.P. 257C for an expenditure of 7 million dollars by Australian Shale and Coal N.L.

November Crusader takes 50% in newly issued 1,780

December

sq. km. authority to prospect (ATP.289P) at the north-east end of the Cooper Basin. Queensland. Farmout of offshore South Island, New

Zealand licence PPL 38052 to Diamond

Shamrock and Partners. Deep water test well to be drilled July, 1981. Farmouts of 25-40% interest in Wonolga Block to Hawkestone Investments Limited for seismic and six wells, and 40% interest

in Mayne River Block for seismic and two

Crusader Oil N.L. Suite 4, Eighth Floor, T. & G. Building,

Corner Queen and Albert Streets. Brisbane, Queensland. (G.P.O. Box 703, Brisbane, 4001)

Telephone: (07) 221,6516 Telex: "Cruoil" AA 40985

LISTED ON ALL AUSTRALIAN ASSOCIATED STOCK EXCHANGES, CODES CSD AND CSDCA

Crusader announces 1981 drilling programme of 54 development and exploratory wells.

Marabooka No. 1 exploratory well in the Cooper Basin discovers gas and oil in

Jurassic and gas in the Permian. Strzelecki No. 4 flows oil from the Jurassic

at up to 3,600 barrels per day—the highest onshore flow ever recorded in Australia.

Small oil recovery from Beardmore No. 1 exploratory well in the Wonolga Block. Mudera No. 1 exploratory well in the

Cooper Basin discovers gas in the Toolachee and Patchawarra formations. Thomby Creek No. 5 appraisal well flows

oil to confirm a commercial field. McKinlay No. 1 exploratory well in the Cooper Basin, flows oil from the Jurassic.

An 18.76% increase in the price of gas to be sold to Adelaide in 1981 is awarded to the Cooper Basin producers in an arbitration settlement.

Farmout of 50% interest in the offshore Canning Basin permit (W.A. 117P) to Home Oil Company and Ocelot industries Ltd. for drilling two exploratory wells and reimbursing Crusader's seismic expenditures.

Cooper Basin producers announce intention to build a 660 km. liquids pipeline from Moomba to a coastal terminal-Stony Point, South Australia, for first deliveries of crude oil and condensate in early 1983.

Crusader announces sponsorship of a new public company—Allied Queensland Coalfields—which will acquire the Baralaba coal interests of Crusader.

Crusader included in successful group tender for area V80-3, new exploration lease adjacent to producing oil fields in the Bass Strait. Crusader's partners are Shell, News Limited, T.N.T. and Mincorp.



Asarco...meeting the metal needs of the 80's



THE AND ELECTROPHICATION OF THE PROPERTY OF THE WORLD SERVICE AND ADDRESS OF THE PROPERTY OF

nd ore loader at MIM's Mount Isa underground mine. Mount Isa is one of the largest mines in the world where copper, silver, lead and zinc are found in close proximity.

with an increasingly valuable stake in one of Australia's largest metal producers.

Asarco's interest in M.I.M. Holdings Limited in Australia goes back 50 years. Today, Asarco owns 48.9% of this great mining and metals company whose output in its past fiscal year contained:

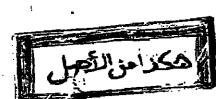
15 million troy ounces of silver 178,000 tons of copper 170,000 tons of lead

116,000 tons of zinc

731,000 tons of coal

Last year MIM started an expansion program which will increase silver-lead-zinc output at its Mount Isa mine by 20%. MIM also plans to invest A\$550 million by the mid-1980's to expand its coal production

in the Collinsville-Newlands region. Asarco's equity in the earnings of MIM has increased steadily from \$19.6 million in 1976 to \$113.4 million in 1980. For more information on Asarco and its associated companies, such as MIM, send for a copy of our Fact Book. Dept. 64, ASARCO Incorporated, 120 Broadway, New York, N.Y. 10271.





AUSTRALIA VIII



The Cooper Basin in South Australia is among the areas of special interest in oil and gas exploration. Above: a compression station under completion by San tos at the Cooper Basin Producers' Moomba Gas Plant

Bright prospects attract the world's oil companies

INVESTMENT round of order of A\$10bn in oil and gas exploration and develop-ment is now gathering momen-tum in Australia.

So far oil has proved the most elusive natural energy resource in and around a continent which is otherwise richly endowed with coal, natural gas and uranium. Some 30 per cent of Australia's oil needs still have to be imported even after the development of the offshore Bass Strait fields and smaller deposits at Barrow Island on the west coast. To put the picture into better perspective, Bass Strait is really the only significant oil supplier in Australia The 20m tonnes of oil produced annually from those offshore wells now account for more than 90 per cent of production. If no new fields are dis-

covered production of present fields would peak and begin to fall during this decade, leaving Australia capable of producing only 35 per cent of its oil needs

But oilmen are convinced that there are new oilfields to be found in Australia and around its coastal waters to make the country self-sufficient and, it is hoped, allow it to play a role as an oil exporter. The tempo of exploration is being speeded up both offshore and onshore. Twice as much drilling will take place this year as last. If positive signs of oil are found early on in the new drilling programme more world ration resources are likely to be switched into Australia to sustain an even more ambitious programme.

Great interest is being shown I well. Foreign and Australian funds flowed into oil issues on the Sydney Stock Exchange following news of the oil show in May. Later there was a general retreat towards a position of more caution and scepticism as it was realised in Australia that Dr Armand Hammer, chairman and chiff executive of Occidental Petroleum-one of four partners in the well-may not have been expecting to be taken literally when he said in Los Angeles that the new well was the most exciting find since the North

But whether or not Blina produces the goods it has served to focus world oil industry interest on Australia's potential. In addition to the majors already operating there, and many small and adventurous oil and gas companies, a number of Canadian oil men searching for pastures new have been arriving in Sydney recently. By the end of this year there

will be 33 rigs drilling onshore in Australia-more than ever before-and at least five rigs offshore, with three more offshore rigs scheduled to start work during 1982. Already the oil and gas search

has surpassed any previous levels of effort. Offshore many coastal areas are interesting. Further exploration is going on in the Bass Strait. The Exmouth Plateau off north-western Australia is an area of obvious interest because gas has already

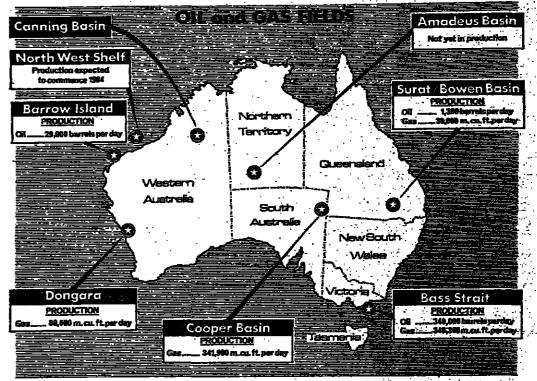
been found there in deep water. While onshore Australia remains to a large extent unexplored for oil and gas and the industry is increasingly feeling it would be pedantic and dangerous to concentrate on a few selected areas. Only some 3,000 wells have been drilled in Australia so far compared with nearly 50,000 in the U.S. But there are areas of special interest. They include the Cooper Basin, Roma near Brisbane, the Canning Basin and parts of central Australia. The glittering prospects of

finding substantial and exportable quantities of oil in Australia which could be sold from a politically stable economy into energy-hungry Eastern Hemisphere are attracting the world's oil companies. Nothing, however, has spurred

their Australian efforts more strongly than the switch in Federal Government pricing policy. Before 1977 Australian crude oil was accorded a fixed price by the Government of A\$2.33 a barrel for Bass Strait oil, with a further A\$2 Government levy making a price of

OIL EXPLORATION WELLS

Year	Wells drilled	Discoveries	Success ratio	Year			Wells drilled	Di	scover	ies	Succ	
1969	102	11	9.3	1975		· .	23	≟. *	. 2		11.5	<u>. </u>
1970	121	10	12.1	1976			21		: 3		7.	_
1971	77	15	5.1	1977	-	-	21 -	•	1		- 21	
1972	101	10	10.1	1978			52		8		6.5	
1973	69	7	9.9	1979		1	59		8		7.4	
1974	54	4	13.9	1980,	half	уеаг	29	•	2		14.5	
							Source	: Ge	vernn	ent	statist	lcs



in the Canning Basin, a tropical A\$4.33 to the refiner. Other region of north-western Australian crudes from Moonie Australia, since Vamgas re- and Barrow Island were priced ported an oil flow from its Blina slightly differently to take into account qualities and freight differences.

> The Fraser Government has moved radically from that lowprice policy and is now pricing Australian crude at levels equal to the full price of imported crude, taking Saudi Arabian prices as the yardstick. In consequence the producer return on Bass Strait crude and Barrow Island crude has soared to more than A\$27 a barrel,

OIL RESOURCES

ROY HODSON

and Moonie crude is now nearly A\$29. The game is well worth the candle for any oil company that cares to play.

The industry is confident of finding more offshore oil in the Bass Straits and adjoining Gippsland Basin areas. On the west coast some 13 wells have been drilled on the deepwater Exmouth Plateau but so far the signs are that it contains big but uneconomic (because of depth and remoteness) gas fields rather than oil. Onshore there is considered to be a big oil potential in the largely unexplored Jurassic strata of the Eromanga Basin, which covers large areas of the Australian Australia has just given point the largest mining operation interior in Queensland. New to the impact of the pause by going on in the world today.

South Wales, South Australia and the Northern Territory. Oilfields in the Eromanga basin have been found at Strzelecki and Dullingari and oil shows have been noted at

Poolawanna and two other sites. The Devonian Reef of the Canning Basin is a focus of interest at present and oil is also expected from the Amadeus Basin and the Surat Basin. With more than 300 exploration permits in issue in Australia and hundreds of

exploration companies trying their luck in an effort costing A\$1,400m this year it is hard to believe that Australia's proven oil reserves will not increase at a steady rate at: worst: at a dramatic rate if the search goes well. The feeling in Canberra is that although there may not be a bonauza of a field to be discovered onshore there are certainly many small which will fields exploitation.

At the end of 1975, said Mr J. L. Carrick, the Federal Minister for National Development and Energy, Australia's economically recoverable reserves of oil stood at 1,528m barrels. By this year they had risen to 1,786m barrels. He is confident that the new round of exploration will lift that figure sub-

stantially.

Meanwhile Australia is experiencing along with the other advanced nations a pause in demand for petroleum products because of high prices and recession.

shelving its A\$250m plans to expand a refinery at Sydney In the heady climate that all talk and speculation about the country's energy future generates in Australia at present it has been a sharp and penhaps salutary shock to learn that oil from shale is not likely to provide overnight riches.

There are enormous deposits of oil shale in Queensland. Two, Condor deposits near Proser-pine, have ancouraged Australians to believe that all their oil supply problems might be solved "at a stroke."

But when Esso and the undle "twins" (Southern Rundle (Southern Pacific Petroleum and Central Pacific Minerals) came face to-face with the economics of going ahead they decided to pause awhile and think some more. Esso decided earlier this year not to construct a pilot shale plant at Rundle. The Rundle "twins" also have an agreement with the Japan National Gil Corporation covering the Condor shale deposit and that must still be considered as being on the active

But the truth is that the fall in world oil prices and the slackness of the international market is giving no encouragement to the big capital projects needed to go in for a big Australian oil shale project. At Rundle (an A\$2.1bn investment) it would be necessary to shift im tonnes of shale rock daily to produce 120,000 barrels of oil. That would emount to

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Diversity of resources is protection against recession

OFFESTAS SALES of mineral Australia will be in a good position to increase its share of the world market in the 1980s and beyond because of recent projects involving copper, mineral sands and a wide range Government expects Australian of other minerals will come on stream. They will contribute additional revenue over and above the great trades now developing in iron ore, coal, bauxite-aluming-aluminium and

of Australia's mineral resources be producing up to 750,000 will be perhaps the country's tonnes of copper a year. greatest economic strength. Lead and Zine—Reserves of the tection against recession and against trading swings in specific minerals and minerals

Copper—More than 6m tonnes of contained metal has been identified as economically recoverable. Mine production has be one of the world's richest increase in output to prolong been steady at between 200,000 been steady at between 200,000 orebodies of the two metals the life of existing Australian the life of existing Australian the life of existing Australian the life of existing Australia is the seventh largest world producers. Australia expects to raise its open and Australia ranks production and Australia ranks production of lead shortly to 8 per cent of the trade. Unless about 440,000 tonnes a year, further exploration uncovers ducers. Mount Isa accounts for more than two-thirds of produc- tonnes a year of zinc.

Government expects Australian production to reach 340,000 tonnes annually of copper, of which nearly 250,000 will be for export. By 1990 exports are expected to reach 450,000 tonnes a year and it is likely that some smaller mines presently held on a care and main-tenance basis will be re-opened. The wide and diverse nature

By the year 2000 Australia could

> two metals are generally contained in the same deposits.
>
> Australia is the third biggest lead producer in the world after the U.S. and Russia and has about a fifth of the world trade in zinc. Broken Hill, New South Wales, is still reckoned to together with about 540,000

Anstralian lead is exported, compared with only 50 per cent of the zinc. Uncertainty surposed to the country's great recent both metals because of competition to galvanised steel from petition to galvanised steel from ather firishes and developments.

Nickel—Only 14 years old in its present form, the Australian output. Round the Kambalda deposits there are ten nickel—only 14 years old in its present form, the Australian output. Round the Kambalda deposits there are ten nickel—only 15 years are only on the country's great recent of world output. Round the Kambalda deposits there are ten nickel—only 16 years are output. Round the Kambalda deposits there are ten nickel—only 16 years are production output. Round the Kambalda deposits there are ten nickel—only 16 years are production output. Round the Kambalda deposits there are ten nickel—only 16 years are possible output. Round the Kambalda deposits there are ten nickel—only 16 years are possible output. Round the Kambalda deposits there are ten nickel—only 16 years are possible output. Round the Kambalda deposits there are ten nickel—only 16 years are possible output. Round the Kambalda deposits there are ten nickel—only 16 years are production about AS100m and could be in siderable potential for the 1980s. A 10,000 distry is seen as having conduction, about AS100m and could be in siderable potential for the 1980s. A 10,000 distry is seen as having conduction, about AS100m and could be in siderable potential for Australia's production within four years. Also the first half of the 1980s. A 10,000 distry is seen as having conduction within four years. Also the first half of the 1980s. A 10,000 distry is seen as having conduction within four years. Also the first half of the 1980s. A 10,000 distry is seen as having conduction within four years. Also the first half of the 1980s. A 10,000 distry is seen as having conduction within four years. Also the first half of the 1980s. A 10,000 distry is seen as having conduction within four years. Also the first half of the 19 in battery design and usage. Nevertheless Australia expects to raise its lead and zinc exports in the 1980s. Several of the undeveloped deposits are of excellent quality and should be competitive in world markets. The geologists expect more copper, lead and zinc to be

Tin. With estimated economic reserves of 161,000 tonnes of contained metal, annual production in Australia during the next few years is expected to be more than 13,500 tonnes. The biggest deposit, accounting for about half the known resources, is at Renison, Tasmania. The Bureau of Mineral Resources expects rising tin prices worldwide rather than any dramatic some interesting new deposits Australian tin production could About 80 per cent of the start to decline within 10 years.

quantities of nicket ore mined in Tasmania many years ago nicket had eluded prospectors until the Kambalda deposits were found in Western Australia. Since then other deposits have hear discovered have been discovered

MINERAL DEVELOPMENTS

ROY HODSON

ore bodies have been found in recent years. The particularly valuable sulphide deposits are nickel companies in the world craft. that has managed to remain profitable because of the richness and ease of processing of the sulphides.

Australia is now the ninth biggest producer in the world bigger than a 5,000 tonnes-aof refined nickel, with a produc- year plant at least during the come.

Western Mining. Existing producers can continue to raise production at least until the mid-1980s. It is estimated that by the year 2,000 Australia, fol-lowing further exploration, could account for about 20 per cent of world mine production of nickel.

Titanium Mining of the minerals for forms of titanium production — ilmenite concentrates and rutile—has been hit by poor world demand. But at least three Australian states— tion of tungsten oxide in con- ing and recovering inland from South Australia, New South centrates has been around the coast in wind-blown Wales and Western Australiaare keenly interested in win- Manganese Broken Hill Pro-Both sulphide and lateritic ning the first titanium sponge plant in Australia-likely to be built before long. It could be constructed with American in Western Australia. During partnership as the outcome of the recent recession Western an offset deal if Australia Mining has been one of the few orders a new U.S. fighter air-

> concede that the market is not likely to support anything

from the King Island mine, Bass Strait. Queensland is also an important producer. Australia is a big tungsten mining country by world standards. The industry has the capacity to continue mining at present levels almost indefinitely. The Federal Government reckons, however, that the industry may double in size within the next 20 years to maintain its share of world trade. Australian produc-6,000 tonnes a year recently. prietary has developed the places.
400m-tonne high-grade manganese body at Groote Eylandt, considerable amount of skill is

Northern Territory, so that Australia is now a leading producer of maganese ore. Production began in 1965 and Australia business in Western Australia is now exporting nearly 2m in under 20 years. Sea water is The competing states are tonnes of ore a year. Clearly pressing for a 10,000 tonnesa-future demand will be highly year sponge plant but privately dependent upon the future of world steelmaking. BHP two years after the water first believes growth will be at a enters the ponds. There are modest rate for some years to

rutile and ilmenite Australia produces 73 per cent of the world's zircon and 65 per cent There are sand recovery opera-tions on the east and west coasts. In New South Wales the industry already ranks next to coal as the state's biggest mineral export earner. As most of the beach deposits on the east coast have been worked out the companies are now explordeposits. Deposits have been found up to 15 miles inland in

needed to produce salt of exportable quality. Australia has built up a 5m tonnes-a-year progressively concentrated by evaporation. Salt is not ready for "harvesting" until nearly good prospects for a further

OVERSEAS TRADE

in A\$, 1.0.b.	70,000
lumina	lbn
liuminium metal	62m
loal	1.6bn
opper	250m
old	90m
imenite concentrates	25m
ren ore	1.1bn
ron and steel	130m
ead	527m
Vickel	428m
Rutile concentrates	88m
alt	4310
l'lo .	117m
ungsten	52m
Jranium and thorium	98m
line	249m
lreon	35#h
ther minerals	727m

Source: Government Statistics

MINERALS **PRODUCTION** Figures for 1980

Bauxite	27m tenne
Coal	94m tonne
Brown coal	32m tonne
Соррег	217,000 tonne
Gold	17,000 kilo
Ilmenite	1.3m tonne
Iron ore	95m tonne
Lead	397,000 tonne
Manganese ore	1.9m tonne
Nickel .	69,000 tonne
Phosphate rack	6,000 tonne
Rutile	293,000 tonne
Silver	7 6 9,000 kilo
Tungsten	6,000 tonna
Tin	10,000 tonne
Zinc	493,000 tonne
Zircon	459,000 tonne

Pilbara region is not a question of whether, but when. Australia has about 7 per cent of the known resources of iron ore, ranking about fifth on the world scale. Total demonstrable reserves of readily usable low phosphorus ores are about 18,000m tonnes, with a further 17,000m tonnes of high phosphorus ore classified as identified paramarginal resources. It will be sufficient

Reserves are sufficient for many centuries

LANG HANCOCK, king of the come out here and see for them- theory, which has it that the harbours, such as Port Hedland cent of the cost of steel produc- partner in the Mt Newman pro- the Pilbara is uncertain. A Pilbara, the man who first selves. When they see the new steel producers of the discovered the vast Australian quality of the ore and the logic world are using the direct iron ore deposits while flying behind the scheme it will appeal his light aircraft through a to their sense of greed." narrow gorge, has recently been spending a lot of time in the

Mr Hancock, 72, is trying to iron ore production for the next sell the Arabs on the idea that 200 years, and free it for ever by buying into Marandoo pro- from the Japanese domination ject they can obtain guaranteed that has made life tricky for supplies of ore for their direct ore producers in the past few reduction plants in the Gulf. years of world recession. Mr Hancock, his daughter He is still the incurable Gina—his right-hand woman— optimist, and despite a heart and Sir Russel Madigan chair- attack that took him close to man of CRA, partners in death, remains as bustling and Marandoo had one successful determined as 15 years ago meeting recently in Bahrain when in the face of ridicule with members of the Arab from the Melbourne established iron and Steel Consortium, ment and the Menzies pieces of paper. I want them to

Mr Hancock argues that his scheme would make Western Australia a global leader in

representatives of the Government, he first convinced

world are using the direct reduction method which needs high-grade ore, at present only in plentiful supply from Sweden

and Brazil. Mr Hancock has resisted suggestions that Marandoo ore should be blended with poorer

IRON ORE

COLIN CHAPMAN

grades from nearby mines. Instead he wants to build a new railway line to Ronsard, where he has already done a feasi-Kuwait Investment Office. They the late Sir Val Duncan of bility study on a deep water were asked to submit a detailed RTZ that there really was a port, capable of taking vessels proposition Mr Hancock ex- vast ore province in the plained: "These chaps don't read Pilbara.

Government in the late Sir Val Duncan of bility study on a deep water were asked to submit a detailed RTZ that there really was a port, capable of taking vessels proposition. These chaps don't read Pilbara.

Would enable ships to load ore There is logic in the Hancock to the capacity of shallower

and Dampier, and then top up at Ronsard. This, estimates Mr Hancock, would enable Australia to offer a price deal no other mine could compete with.

All this may be a pipedream, though Mr Hancock would fiercely contest it, but it has been just about the only optimism around in a year when iron ore contract negotiators went to Tokyo in the hope of getting the 15 per cent increase needed if prices were to be maintained in real terms at their 1980 levels. They came back with their tails between their legs.

All that two months of talks produced was an 8.5 per cent increase, which left Pilbara producers like Hamersley saying that a substantial increase would have to be granted next year to ensure the industry's survival.

tion whereas today it is more like 7 per cent," he said.

CRA's Madigan said prices would have to rise "to give an economic return on the capital invested, and to meet com-munity aspirations for benefits from the export of their nonrenewable resources. Sir Russel said Hamersley would have to cut capital expenditure, a move since copied by Mt Newman in an effort to reduce costs and restore profitability.

But the Australians did better over increases than other world producers - some got no increases at all. cash situation in the Pilbara has also improved thanks to the steady rise in the value of the American dollar.

The key to the future deve-"This can be justified when it lopment of the Pilbara is the is considered that several years world steel situation. Recent ago iron ore made up 14 per estimates by Amax Inc, a made on a new development in further development of the

tonnes last year to about 483m tonnes in 1985. Since little world iron ore capacity has but nothing has matured. been generated. Amax believes. prospects are that supply and through to 1968.

rise substantially over the next three or four years as the shortfor at least three or four new mines around the world, includ-

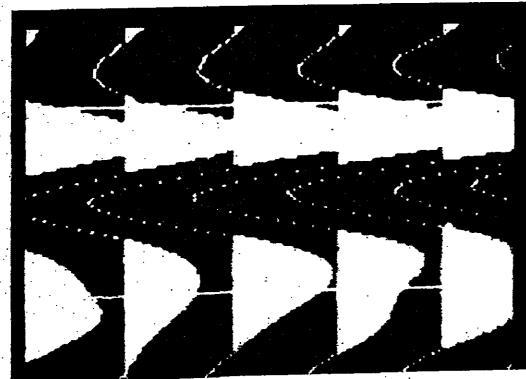
ing Australia. But when a decision will be

ject, is that demand for iron headline in the financial press ore will increase from 366m in Australia in June 1981 said a new project would be launched in October that year. There are five prospective

developments, apart from Handemand will be in balance by cock's Marandoo, which will get 1982, and then there will be a off the ground if talks with the gradual tightening of supply Arabs succeed. The best prosrough to 1968. pects seem to be Goldworthy's The managing director of area C. CSR's Yandicoogina. West Germany's ore buyer BHP's Deepdale, and Cliff Robe Robstoffbandel GMBN holds a River's West Angela. The similar view, estimating a short- Goldsworthy proposal, has the fall of between 40 and 50m support of the Western Austratonnes by 1985. "Prices will lian Government because its present operation at Shay Gap. age of iron ore becomes more Hill will run out of ore by 1984. apparent," he told a recent con- By moving the existing operaference. There was a clear need tion and workforce to area C. Goldsworthy says it can open a 10m tonnes a year mine for

Whatever

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- ➤ AMAX's 25% interest in the Mt. Newman iron ore project in Western Australia.
- Coal investments.
- Oil and gas interests.
- Exploration activities in minerals and fuels.

It is expected that structuring of the new company will be completed later this year. AMAX Australia Limited, based in Western Australia, will direct AMAX's mining and exploration activities in Australia. For further information, contact one of the addresses below.

AMAX Australia Limited Mr. Stanley Dempsey, Chairman 200 St. George's Terrace Perth, Western Australia 6000 Telephone: (09) 321-5503 Telex: 92364 AMAX PERTH Cable: AMAXMET, PERTH

Mr. Arthur Reef, Senior Vice President Greenwich, Connecticut 06830 U.S.A. Telephone: (203) 622-3000 I.T.T. Telex: 425663 International RCA Telex: 221107 International. Cable: AMAXMET, GREENWICH

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A fierce scramble to win contracts

than \$33bn of resources projects. lines and mines. Challenges in the development, Australian ments, uranium enrichment companies are competing against plants, and works associated experienced and keenly priced with titanium processing. overseas operators, who are Most overseas construction expected to win at least 30 per companies will spend the bulk

the Foreign Investment Review course receive dividends. Board has said it will keep a Australian listed engineering special watch on overseas firms and construction companies, who look as if they may be preduced by the same and construction and dators. On the other hand those Holland (Constructions), Evans

metal projects, including the aluminium industry. The sur- to improve on.
vey forecasts that Western The Australian Federation of Australia and Queensland will host a large proportion of the developments with A\$10.49on respectively budgeted by the private sector. The contracts will include Western Australia's Minister harbour, road and rail, and of Industrial Development, Mr

uncertainty. Doubts over the

pace of future development of

nuclear power aggravated by

the change of government in

export — and feuds within Canberra Ministries as to who

is in charge of uranium policy all combined to fuel doubts

about the future.

cent of the total contract of their contract money within Australia, but parent companies Some Australian companies may charge for specialist design are likely to be taken over. But and engineering work, and of

Australian companies entering Deakin Industries and Egio joint ventures with foreign Engineering, have attracted based contractors stand to gain stock market interest in recent important technological benefits. months because of their share A recent Department of so far in contracts. Eglo Industry and Commerce survey recently announced an 11 per showed that up to A\$9.31bn cent half year profit jump. cent half year profit jump, Evans Deakin — the subject of could be spent on coal developments, A\$9.97bn in the oil and gas sector, and A\$7.59bn on base rose 42.3 per cent last year there have which directors say they hope

> Construction Contractors estimate that business will grow at a rate of between 10 and 20 per cent a year, excluding resource projects. Western Australia's Minister

fifth of the Western World's

reasonably assured resources of

uranium and, with a number

of encouraging prospects yet to

country has the potential, if it

has the will, to become a major

dustry came in June when a

The best news for the in-

world supplier.

Doubts over the

pace of future

development

AUSTRALIA'S uranium of Queensland, the free wheeling interests have spent much of Jo Bjelke Petersen, protested.

1981 in a state of befuddled Australia possesses about one-

France, strong trade union be evaluated it is probable the opposition to uranium develop share will increase. So the ment — including bans on its country has the potential if it

It was perhaps not surprising tional and Australian interests therefore that the State Premier joined the South Australian

THE next two years will see other supply works, the design engineering and construction of aluminium against any attempt to impose sion, Mr E. F. Herbert, excessive Mr Ted Peacock, Managing development on other sectors is companies engaged in a fierce smelters power stations, oil and rigid local content rules on the scramble for a share of more gas production platforms, pipe- grounds that it will prevent projects getting off the ground.
"We work very closely with the Although they are poised to new technology include coal-to- "We work very closely with the be the major beneficiaries of oil plants, oil shale develop- companies to make sure they use local industry as far as they can. We ensure contract specifications are not drawn up around imported products for

> Some of the burden of infrastructure costs will inevitably be

ROLE OF THE SUPPORT COMPANIES

VICKIE SMILES

passed on to the mineral developers themselves, which together with increased royalties and port charges could impair viability and competitiveness of new projects.

No doubt the states will have to bolster their finances as a result of new funding restrictions. But if the developers are constantly pressured into prodisproportionate amount of the capital cost of infrastructure they may have second thoughts.

According to the General ticipation is being watched by

profit components in rail and Director of Sydney-based conport charges, when added to other costs, may make development uneconomic at current

A recent illustration of the increased demands being placed upon Australian mining companies launching new developments was revealed in the flu-ancial arrangements for Mount Isa mines' Newlands Coal Pro-ject in North Queensland. The pressure of competition

every stage, with a number of companies expected to follow the lead of the U.S.-based Chicago Bridge and Iron and the French EPTM company in setting up Australian operations. Chicago Bridge has established a subsidiary, CBI Constructors, in Western Australia. It has won an A\$21m contract to fabricate and erect tanks for the Worsley

from overseas will be felt at

West Shelf. CB1 Chief Executive, Mr Herb Andrew says: "Two and a half years ago we had four people in the state. By the end of the year we will have 400, most of them control engineers, quality assurers and management.'

The derree of overseas par-

honoured by allowing companies

to draw upon the Atomic

Energy Commission stockpile at

Lucas Heights, near Sydney. If the bans get worse it says it will

The Government has also

guards agreements with a num-

ber of countries, including a far-

Community, and it seems prob-

able that in 1982 development

will be speeded up, with or with-

have rich prospects include BHP, Commalco, CRA, De Beers, Continental, Mitsui and

Reynolds. In nearby Kakadu

National Park, nominated two

years ago by Prime Minister

Malcolm Fraser as one of the world's least known and beauti-

ful landscapes, up to 15 per cent of the world's reserves have

been found on the Ranger and

Pancontinental leases. So far Nabarlek is the only one to have been mined. The uranium in

this area proved so far has been about 350,000 tennes, but

to

may yield up to 2m tonnes, and

Government

according

possibly more.

Kapunda

Pilhara

Spargoville

On the exploration front the

out union opposition.

Surveyors at work at the Ranger uranium mine, Jabiru, Northern Territory

Government in an 18-month feasibility study to examine the Federal Government has already possibility of a uranium con-shown its determination to enversion plant at Port Pirie, sure these contracts are Chemical processing at the proposed plant would convert uranium oxide (yellowcake) into the gaseous uranium haxafluoride the feedstock for a uranium enrichment industry. airlift supplies out of the

The study will have close country. links with another investigation The into which technology would be issued appeals to unions overthe most appropriate if the seas—the most recent being the Government decided to give the British Columbian Federation go-shead to an enrichment of Labor-not to hold up Austra-The consortium lian shipments. A trainload of involved includes Broken Hill 139 tonnes of Uranium was the Ltd. centre of protests by Canadian Smelters (BHAS). British Nuclear Fuels, anti-nuclear groups, as a res-and Roxby Management Ser-ponse to a call from Mr Dolan. (RMS). BHAS is owned by two of Australia's largest companies. Broken Hill Proprietary, and Conzine Rio Tinto reaching one with the European Australia, while RMS is owned the partners in the Roxby Down Uranium Prospect, British Petroleum and the Western Mining Corporation.

most exciting move is the open-If the upshot of the study is positive, and the names of the the Northern Territory after a companies that are decade-long moratorium. Cominvolved has led to considerable panies who plan to search for local optimism, then Australia uranium in an area thought to

URANIUM

COLIN CHAPMAN

will be moved into the forefront world nucleat fuels

Roxby Downs is expected to he one of the hirgest uranium prospects in the world, and the if it is built, would be likely to take its raw material from it. But it could also take uranium from other South Australian prospects such as Beverley and Honeymoon, the Northern Territory mines yet to Western Australia.

South Australia's Minister for worthy, claims the move puts his state ahead of Queensland and Western Australia in the race to establish a plant. This is a claim hard to refute.

But the major stumbling block be opposition from Australian Labour Party, which as a matter of policy, opposes development However, the leade Australia. welcomed the feasibility study and may try to persuade his party to withdraw their objections on the grounds that Australia can exercise more controls on the use of uranium if it undertakes processing and

Unlike Robert J. Hawke, his predecessor as President of the Australian Council of Trade Unions - who argued against union bans on uranium export and development - the present ACTU leader. Cliff Dolan, is a committed opponent, and union action has been stepped up this

Queensland Mines have experienced sovere trouble with through the northern port of Darwin, and have had to call in the Federal Government for help. The Australian Railways Union also bars the transport of uranium, and this has affected Western Mining's operations.

Uranium exports at present cover contracts entered into be-

The agreement will provide Mr Bjelke Petersen's government with a A\$50m a year tax bonus through rail freights and mineral royalties. MIM will be paying more than A\$10 a tonne to the Queensland Railways—the highest coal freight rate paid so far in Australia-to transport the planned production of 5m tonnes a year

from its combined Newlands-Collinsville mines to the new Point Abbott Coal Loader. Most of MIM's A\$550m budget will be spent on building the Newlands-Point Abbott Railway -which becomes government Alumina Refinery and an A\$30m property—building the town of deal for accommodation modules Glenden, including public insti-tutions such as schools; houses and a helideck on the North for 1.000 miners; roads; water supplies and financing the con-

another point."

Coal Loader. Profit margins will be between 10 and 15 per cent, which leaves little room for rises in the cost

struction of the Point Abbott

of the project.
With forecast investment in the mining and manufacturing industry expected to rise from 4 to 5 per cent of Gross Domestic Product (GDP) in the late seventies to between 7 and 8 per cent of GDP during the 1980s, the impact on certain sections of the economy will be significant.

Payment of taxes by the

also quite substantial.

In a recent study conducted sulting engineer, Crooks Micheli by the West Australian Govern-Peacock Stewart, fears that local ment into the impact of bauxitecompanies may lose a number of contracts. "We have the comalumina projects on the State's economy it was found that sizepetence to do the work, but

able spin-offs occurred. whether we have the capacity is For every A\$100 increase in alumina output, wages and-salaries paid as a result of interindustry linkages, there was a rise of A\$200 and A\$550 respectively in the overall output and

household income figures. Similarly for every 100 extra people employed in the alumina sector, a further 390 to 400 people found placement in other areas of the economy.

Some 72 per cent of all pro-duction related expenditure by the bauxite-alumina industry in the State was directed to Western Australia and about 60 per cent of orders for materials and services were placed with the

These findings augur well for current development of the state's Wagerup and Worsley refineries which together represent more than A\$1.3bn in capital expenditure.

state.

Australians can also participate as shareholders in the developing companies. There are certain disincentives in this process because of double taxa-tion of dividends. But industry hopes the recommendations of the Campbell Inquiry into the Australian financial system will. alleviate the factors hindering wider Australian ownership.

Ultimately the benefits of the boom will depend on the Government's ability to coordinate its policies of economic minerals industry is one of the management to the extent that most important ways in which the Australian community shares the cake. But the multi-mix to meet demand.

Exploration Activities



Echunga S.A. DIAMOND PROSPECTS Kimberley Estuary



Ryan's Find W.A. COLD



Kaiser Conner COPPIR PROSPECTS. Carr Boyd Coupe



PROSPECT



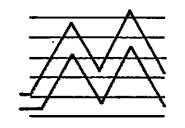


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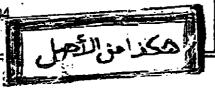
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operations irecs	Minerals	Ven Par
forseman	Gold, tin, tantalum	CR
anowna	Gold	AM
iazer Ranges	Diamonds, tin,	
	tantalum.	CRA
nleika	Gold	Dan
		Min
		Ope
atrica	Gold	

Tantalum/Columbite

with major mining companies as farm-in/joint venture parties.

(AX

100% 11 Mineral claims

100% 6 mineral claims 100% Stage III programme recommended by Amdel · 50% 19 minoral and dredging claims

35% 47 Gold mining leases

35% 56 Minerals claims

30% I temperary reserve

30% 7 Gold mining lease

Option on gold.

mining lease

50% 3 mineral claims OUTLOOK Northland has embarked on a progressive exploration programme in conjunction

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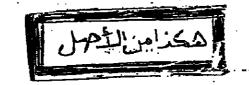
ASHTON JC Da

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I Project is call to be difficult to four year the will produce M 25m carats of or and provide : then A\$260m a he money will be of the As. Australia per cent. As las per cent. Asi sung (5 per cent) an sung (5 per cent) white mountain per sung of the su alerine ore a young the crushed

of and from which rather will be all and down to a lell hours aw World mark known as A made sea greater ti

De Beers C of South Af ear produced that the will not



A fledgling industry

AUSTRALIA HAS diamonds: that's official. And it is an exciting development for a country which, many geologists used to believe, did not contain a diamond-bearing

Whether the discoveries recently made can launch Australia mto a new role as a major supplier of diamonds must however, be open to doubt until a lot more work is done and much more money is

In nine years of exploration the Kimberleys, a remote region of Western Australia, has yielded more than 70 diamond clay pipes and dykes. All but three have been writ-

BIAMONDS

ROY HODSON

ten off as "commercially bar-

Of the three pipes two at Ellen- The key to the fledgling Ausdale in the west Kimberleys may not be commercially worth while mining. That appears to be the present view of the Ashton joint venturers, the group that was formed by CRA (56.8 per cept), Ashton Mining (38.2 per cent), and Northern Mining Corporaton (5 per cent) to prospect for, and to mine, diamonds.

lowever, the remaining pipe, known as AK-1, sited just to the south of Lake Argyle in the east Kimberleys, is a very big diamond find indeed. They are calling it "world

The kimberlite pipe was discovered in 1979 and has been proven to have millions of carats of alluvial diamonds sufficient to contribute some 40 per cent of the world's annual production.

The disappointment for the joint venturers, however, is that the diamonds are mostly of poor quality. CRA's market investigations show that about 10 per cent of the stones recovered so far can be termed gem quality. A further 20 per cent to 30 per cent can be classified as near-gem (somewhere between gem and industrial qualities). The remaining diamonds are of industrial quality and boart

(low quality).

CRA has revised downwards earlier estimates about the size of the kimberlite body. The earlier figure of 160m tonnes is now thought to be too high. CRA prefers to talk about "in excess of 100m tonnes."

The joint venturers are considering a A\$400m investment in a mine at Argyle. By next year the feasibility study will be complete for a project which could result in one of the biggest diamond mines. the biggest diamond mines ever planned to mine 5m tonnes of kimberlite annually to recover up to 25m carats diamonds.

Financing such a big project will call for a highly-skilled balancing act. On the one hand the Australians must find markets for the new dia-mond production. On the other hand, the mine must be a very big producer to cover the high capital costs of establishing it in that remote region more than 1,200 miles north of Perth.

tralian diamond industry will, in fact, be marketing. There has been much talk of goingit-alone and even of establishing a diamond processing industry. But the learning curve for such a business would stretch over many years. If diamond production starts from Argyle by the middle of the decade it is most likely that the mine's output will be handled by the

Organisation. Revenue from a 25m carat a year mine with the diamonds selling at US\$12 per carat on average, would total A\$266m a year.

De Beers Central Selling

The costs would include a .7.5 per cent royalty to the Western Australian Government, amounting to more than A\$16m a year, payments to the Aboriginal community (a final scale has not yet been agreed but some observers believe it could amount to 4 per cent of revenues), and a selling commission to De Beers of 10 per cent. All those items would be over and above the main cost of

On present estimates it looks as though the Argyle mine could be anything from a lossmaker to a A\$40m a year profit-earner.

ASHTON JOINT VENTURE

Dazzling future

THE Central Selling Organisa- worth US\$325m to a market that tion (CSO), the cartel that runs is estimated to be between the world diamond market, may US\$3.5bn and US\$4bn. come to rue the day that Maureen Towie, a woman geologist with striking eyes and gypsy black hair, struck a rock: in a remote corner of north-west Australia and let out a shout which was to tell her colleagues that a large deposit had been found. The find, at Smoke Creek, 120 miles by bush road from the nearest townlet, has proved to be the world's largest piamond deposit, added a new nineral to Australia's already dittering array of natural resources and is bound to have a senificant impact on world

The Ashton joint venture, as the project is called, is so big is to be difficult to compre-lend. In four years' time the nine will produce between 20m nd 25m carats of diamonds a ear and provide an income of etween A\$260m and A\$325m. The money will flow into the roffers of the Ashton consorium, consisting of Conzinc Rio
l'into Australia (CRA) with
56.8 per cent, Ashton Mining
(38.2 per cent) and Northern
Mining (5 per cent). The
mining operation will move a
whole mountain peak and tear whole mountain peak and tear ip a creek bed (situated inconip a creek bed (situated inconcentently on an aboriginal
eserve) to yield 5m tonnes of
Kimberlite ore a year. The ore
will be crushed into a fine
bowder from which one or two
iny and rather dull-looking
itamonds will be placed in
acks and flown to Perth, four
nd a half hours away by jet.

World market

By weight the output of the nine, known as Argyle after he man-made sea nearby, will be even greater than that of he world's largest current proucer, De Beers Consolidated
lines of South Africa, which
ast year produced a total of
4.7m carats.

But the project's managing irector, Mr Mike O'Leary, an experienced mining man, is onfident that the Argyle liamonds will not depress the world market even though the utput will be greater than that if the two largest South African gipes put together.

The partners in the joint

venture say they are still unventure say they are still undecided as to how they should
market their riches. Even before
full mining has been started
they have substantial numbers
locked away in bank vaults.
Northern Mining, for one,
believes in the open market
approach and there is some
evidence that the Canberra
Government is nervous about
such an important Australian such an important Australian operation forming close links with a South African-controlled operation. But CRA, although unwilling to confirm publicly that this is so, seems to want to opt for an arrangement with the

Mr O'Leary and other CRA executives recently toured the world as guests of De Beers, talking with their marketing experts and the grand old man of the world diamond market, De Beers chairman Mr Harry Oppenheimer. As a result De Beers have given the Ashton joint venture an open offer to take over the marketing.

Community

Marketing is the major hurdle for the venture but by no means the only one. A new corporate structure, using the name Kimberley Diamond Mines (KDM) and headed by O'Leary, will be built to establish a new mining community in an area where the cost of electricity, water, housing and transport form the major part of the A\$400m capital cost of establish-

ment.
Ashton may be the first but it is almost certainly not the last of Australia's ventures into diamonds. At Ellendale, 72 miles east of the town of Derby, large group of Kimberlite. miles east of the town of Derby, a large group of Kimberlite pipes has been identified and 3,190 carats recovered. Unlike those at Smoke Creek the Ellendale diamonds are predominantly of gem quality. But the sheer volume of carats in Argyle was the factor that persuaded Ashton to press ahead there first.

But its owners are unlikely

But its owners are unlikely to leave the Ellendale deposits in the ground for other people's The reason, as he sees it, is hat most of the diamonds though the Argyle camp is miles from anywhere—over 100 miles from anywhere—over 100 miles from anywhere—over 100 miles to the nearest shop, for instance—the base camp where the diamond crusher is established in volume terms the latter shough in volume terms the lished is surrounded by two lished is surrounded. benefit Meanwhile, the area is alive with prospectors. Even though the Argyle camp is miles from anywhere—over 100

Prospectors are out in force once again

GOLD

ROY HODSON

AUSTRALIA has been producing more than 500,000 ounces of gold a year recently and exporting about 40 per cent as refined gold or as ores and concentrates.

Gold mining is one of the oldest of the Australian minerals extraction activities. The first finds in the 1850s led to the Gold Rush in New South Wales, Victoria and Queensland. The scene has now shifted. Large-scale mining is centred around Kal-goorlie in Western Australia.

new Australian gold rush began when the metal touched U.S.\$850 an ounce early last year. Although the price has since fallen to around U.S.\$415, newly reopened mines across the continent are being worked and the "do-it-yourself" prospectors are out in force.

Victoria set the pace last year when a husband and wife team using a metal detector scraped six inches below the surface and found a nugget since called the Hand of Faith.

The nugget was put up for sale for A\$1m. It weighs 720 ounces and measures 17 inches by 7 inches by 3 inches. It is said to be the biggest ever found in this

Sales of metal detectors have boomed in Australia ever since.

Two stories deserve telling again. A man took a metal detector outside the shop to try it out and found a gold mugget. Another lucky prospector tried out his machine in a car park and also struck it rich.

The Hand of Faith is now in a Melbourne bank vault silent evidence that it can be done. The old Victoria goldfields are proving a new attraction to city dwellers.

There is even a 24-hour telephone service to answer queries about prospecting in what Australians are calling the Victorian Golden Triangle (where the Hand of Faith was

That triangle links the Victorian gold mining towns of Wedderburn, Dunolly and Bendigo. Hotels and suppliers of prospecting equipment are certainly making more money out of the gold rush so far than the seekers of the yellow metal. But it is early days yet. Many finds have been made since the Hand of Faith. Three schoolboys went out with a metal detector one day and found a 52-ounce nugget at Wedderburn as well as some smaller nuggets. One prospector says he is determined to find the "Foot



Although Australia has a fledgling diamond industry, gold mining is one of the oldest of the continent's mineral extraction activities. Above: Prospectors cool off with a lager in Western Australia, where A\$50m will be spent this year in the search for gold and other minerals

of Faith."

A combination of the old geological maps and modern aeriai photographs can help the 1981 prospector identify interesting areas which may have been prospected inadequately during the 1850s. Some prospectors even charter their own aircraft to take oblique photographs in the spotting unusual

Spending on gold explora-tion in Victoria this year will amount to more than A\$6m. However, that is a small investment compared with the A\$50m which will be spent in Western Australia searching for gold and other

Kalgoorlie, Australia, is the centre of gold-mining activity. A new shaft at the Mount Charlotte mine will increase capacity. Other mines are being

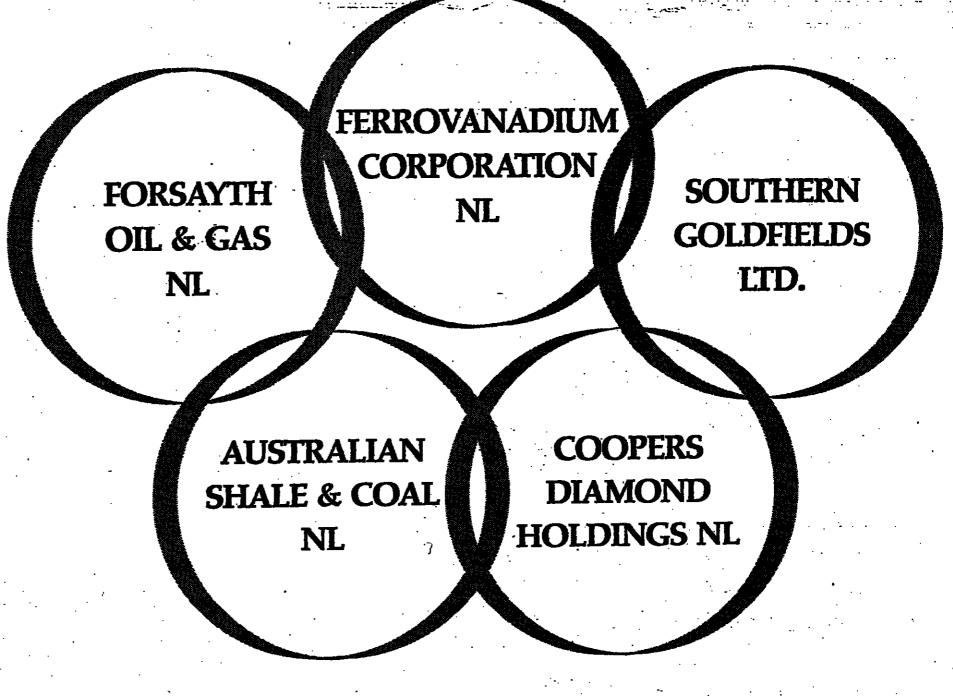
Western Mining, a com pany which was originally formed in the 1930s to search for gold in Western Australia, let its gold interest run down during the long period of the fixed price at U.S.\$35 an ounce. Now Western Mining is moving back into gold. Its new orebody at Roxby Downs,

South Australia, certainly contains gold as well as copper and uranium. Western involved in gold production in the Kalgoorlie area and has decided to start underground exploration over in the east in Victoria.

Most promising, Western Mining has discovered extensive new gold-bearing reefs at Norseman, Kalgoorlie.

Group Resources PTY LIMITED

AN ACTIVE GROUP OF ENERGY AND MINERAL EXPLORATIONS COMPANIES, BASED IN PERTH, WESTERN AUSTRALIA, CONTROLLING SUBSTANTIAL ACREAGES IN ENERGY RESOURCE AND BASE AND PRECIOUS MINERAL PROSPECTIVE AREAS.



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parties interest in 'farming in' on new and continuing exploration programmes being planned in Australia, the Middle East, USA and New Zealand.

FOR FURTHER INFORMATION PLEASE WRITE TO:

Managing Director, Group Resources Pty Ltd, 15th floor, 111 St George's Terrace, Perth, Western Australia 6000 Telephone: Australia (09) 322 1266 Telex: AA 94936

Exploration and activity report

GOLD

East Norseman Prospects

A group of gold mining leases and mineral claims are held 4 kilometres east of Norseman in the Noganyer Formation. This group is being joint ventured with CRA Exploration Pty Ltd and takes in the old Bon Accord, Lord Hopetoun and the Red, White and Blue goldmines. Work to date has included detailed mapping, sampling and costeaming and has indicated gold mineralisation over a large area of the prospect. Additional gold mining leases have been pegged at Norseman, adjoining our East Norseman blocks to the north and the Mt Henry gold prospect further south.

St Agnes Gold Prospects

Situated 2 kilometres east of Norseman, leases cover portions of the Valkyrie, Lady Jane, St Agnes Venture and Eden Park reefs. Assessment of the gold mineralisation within the quartz reefs has proved promising.

Two gold mining leases are sited N.E. of Widgie Mooltha in the Coolgardie Goldfield. Bulk testing is now in progress and with encouraging preliminary results, further drilling is underway.

TIN-TANTALITE

Mt Deans Tin-Tantalite Prospect

Located 8 kms S.E. of Norseman, exploration has been in progress for two years in joint venture with CRA with significant results. In addition a large area of alluvium has been found on the eastern slopes of Mt Dean and drilling and costeaning are underway. Bulk samples are being processed.

Kirup Tin and Tantalite

6 kilometres east of Kirup, Australis has six mineral claims which have been drilled and bulk sampled. The average tin-tantalum ratio is 10:1 with associated tantalum mineralisation.

SCHEELITE

Higginsville prospect

Australis is reappraising the geology of this area, once a significant early producer of scheelite, to determine the association of the scheelite to the complex, interlocking shear structures of the area.

LATEST ACTIVITY

Australis is now constructing an activated carbon in pulp tailings retreatment plant at Norseman. It is anticipated that weekly throughput will be 2000 tons. Australis has control of approx 400,000 tons of tails and on testing to date, the average would appear to be 2 gms per ton. The circuit also includes a milling section which will be used to bulk test for gold and tantalite deposits in the area.

AUSTRALIS MINING N.L. - A sister company of Northland Minerals Ltd and Terrex

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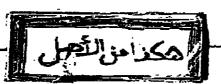
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Here and on the following page are profiles by ROY HODSON and COLIN CHAPMAN of some of the leading companies involved in the development of Australia's minerals and energy resources.

MAIN MINING AND OIL VENTURES: WHICH GROUP OWNS WHAT

BRITISH PETROLEUM.-Oil refining, chemicals, petroleum marketing, coal, hase metals uranium investment, oil and gas development, minerals exploration. It also has major investments in coal. Cintha from Daniel Ludwig in 1978-79, has a joint venture with Oakbridge to develop colliers in New South Wales, and is the major partner in the new Winchester South Mine in Queensland. Its biggest venture in oil and gas is its 16.66 per cent share in the North West Shelf. Through Seltrust it has 60 per cent of the Agnew Nickel Mine, 60 per cent of the Teutonic Bore copper-zine-silver deposit, and five per cent of the Mount Newman Ore

BROKEN HILL PROPRIETARY.-Australia's higgest company. Apart from being the major steelmaker and a metals' manufacturer. BHP has major investments in Iron ore, coal, gold, manganese, oil, gas, and tin and hopes to develop copper, bauxite and uranium. as well as other coal, ore, and gas and oil discoveries through the decade. It has a 30 per cent stake in the Mount New man iron ore project; has a number of coal mines in NSW and Queensland, operates the country's only manganese mine at Groot Eylandt; has a 20 per cent stake in the Worsley Alumina Project in Western Australia; and a 35 per cent stake shortly to be increased, in the Lochinvar Aluminium Smelter in NSW. It shares the Bass St. Oil and gas fields in joint venture with Exxon, and is searching for oil and gas in Western Australia, Queensland and offshore Victoria. COMALCO.—Two big shareholders, CRA (45 per cent) and Kaiser Aluminium (45 per cent) control the company, which is in fullyintegrated aluminium production, including

bauxite mining, alumina refining, and aluminium smelting. DNSOLIDATED GOLDFIELDS.—Mining CONSOLIDATED investment and minerals exploration. It has a 56 per cent interest in Mt. Lyell Mining (Copper) and a 70 per cent stake in the Gunpowder Copper Joint Venture; a 62.4 per

company being

driven with all eyes on the

road ahead and hardly a

thought for speed limits. Sir

and chief executive, belongs to the top circle of the new breed of home-grown

professional managers now in

control of Australian big

His philosophy can be

encapsulated in just three of

O" If Australia is to seize its

opportunities companies like

us have got to gear them-

they are now in ten years

• "I don't believe 1bn people

in South East Asia will sit

idly by and see Australia leave

a bigger and more reliable

"I want to see Australia

developed."

world supplier.

Carnegle, its chairman

cent stake in Associated Minerals Consolidated (mineral sands); and interests in coal, iron ore and tin. It has several good coal prospects.

coal prospects.

CRA.—Australia's most important mining house, is owned 65 per cent by Rio Tinto Zinc. It has a 53.6 interest in Bougainville Copper, owns Hamersley Holdings, and is partner with Hancock and Wright in the Wittenoom deposits of iron ere. It has a number of major coal interests, including Blair Athol, Kemia Coal and Hail Creek. It is the 51 per cent owner of Mary Kathleen Uranium, and a 56.8 per cent interest in the Argyle diamond deposits. It is a major

CSR.—Diversified from sugar refining to metals; it has a 68 per cent stake in Pilbara Iron which owns 30 per cent of Mt. Newman Iron Ore, and has a major interest in Bowen

Basin Coal after acquiring Thiess Holdings.

MIM HOLDINGS.—Australia's largest base
metals miner, now controlled by Australian interests. The Mt. Isa Mine, which has been in production almost 50 years, produces 150,000 tonnes of copper, 147,000 tonnes of lead, 110,000 tonnes of zinc, and 460 kg of silver. The company aims to lift production by around 20 per cent over three years. It is heavily involved in new uranium and coal ventures. It owns the Honeymoon Uranium Prospect, and a 49 per cent stake in the Queensland Oaky Creek deposit.

PERO WALLSEND.—One of the most important and diversified mining groups; interests in copper, gold, coal, alumina, mineral sands, and uranium, as well as manufacturing interests.

WESTERN MINING.—WMC discovered nickel at Kambaldain in 1966 and has been growing ever since. It has 21.6m tonnes of disposable reserves. WMC also has interests in nickel, gold, copper, uranium, and base metals development; aluminium, phosphate and mineral sands interests; also nickel smelting and refining, minerals and oil-gas explora-

risen to around 40 per cent. RTZ, which used to hold more

than 90 per cent, has agreed

with the Australian Govern-

CRA is in a strong position to

benefit from the varied

minerals and energy projects

biggest problem. Carnegie is

going for decentralisation of

management as long as he is

in the driver's seat: "We don't

want central bureaucracy to take the fun out of life."

lead, zinc, copper, uranium, and now diamonds: CRA is

into them all and has much

else in its tucker bag besides.

Iron ore, coal, aluminium,

Growing

Al

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GOAL IS SET AS WATER ARTS

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The Will

Non-

CSR, is rapidly developing into

major coal producer over the last two to three years with the successful takeovers of Thiess, Aar and Western Collieries. CSR now has a direct and indirect interest in 4bn tonnes of measured and indicated steaming and coking coal reserves. Among these are the major deposits of Hail Creek, Theodore, Nebo and South

In terms of production CSR is already the second largest coal producer in Australia after

A\$112.1m but there is doubt that future benefits will be derived from the company's massive development in energy materials and energy-related products. Much of the credit for pushing CSR into the energy game goes to the company's erudite general manager, Mr Gordon Jackson.

northern Oueensland:

ment to allow its holding to decline enough to enable a 51 The deposit has indicated re per cent public ownership. serves of 4bn tonnes of shale Most of the directors and containing about 1.5bn barrels of oil. This compares with well nearly all the top managers are now Australian. over 2bn barrels contained in With record sales of more the huge Rundle deposit prethan A\$2bn last year and record earnings of \$\$193m, sently being evaluated by Exxon. Although CSR is now looking for a partner to develop Julia Creek production is not expected before the early it is chasing. Controlling the machine looks like being the

New smelters

CSR is also on the brink of becoming a significant aluminium producer through participation in two new aluminium

Through its 51 per cent owned Gove Alumina subsidiary CSR has an effective 18 per cent in-terest in the Tomago aluminium project led by the French group Pechiney, which is planning to spend A\$600m on a 220,000 tonnes per annum smelter in the Hunter Valley of NSW Gove Alumina will supply 35 per cent of the alumina input and be entitled to an equivalent share of the metal produced at the smelter when it helped, of course, by the willinghecomes fully operative in

> Another project of considerable long-term potential is CSR's ciant Yandicoogina tron ore prospect, 80 km north-west

This A860m project in which CSR has a 70 per cent interest, Australia, the U.S. Japan,

Last but not least, CSR and

wide ranging interests in every-thing from concrete, cessent and quarrying to contraot drilling and even macadamia unts, CSE will remain one of Australia's leading industrial groups.

interests

one of the world's largest suppliers of steaming and coking coal. Having won its colours as a

Blackwater.

Utah, with output from its group mines running at 6.7m tonnes a year. Planned expansion of the group's Queensland, New South Wales and West Australian coal mines could boost this figure to 19:7m tonnes a year by 1986, by which time coal earnings should account for 50 per cent of CSR's net profit. At present sugar provides the of CSR's earnings (A\$58.3m) or 52 per cent of the March 1981 result of

Apart from its coal, tin, cop per, iron ore, natural gas and oil activities, CSR is currently investigating the viability of its Julia Creek oil shale prospect, 360 miles west-of Townsville in

smelters.

The second project involves CSR. Shell and Reynolds of the U.S. in a three-way consortium to build a A\$650m aluminium smelter in the Darling Range of Western Australia:

Final go-shead for the 250,000 tonnes per annum smelter is awaiting environmental approval but production is expected to begin in 1986, .

region of Western Australia.
In April this year GSR; reported that it had proven

442m tonnes of mineable ore. 800m tonnes of probable reserves and a further, 1.7m tonnes of possible ore making a total reserve of nearly 3bn tonnes. This compares with estimated reserves of the producing Mt Newman mine, in which CSR has a 20.4 per cent interest of over 2bn tonnes. CSR has many more strings to

its...how including mineral exploration for uranium and other ores. a promising molyb-denum discovery at Mount Pleasant Lear Mudgee in New South Wales and a major paper nulp and timber venture in New powerful forces for in Queensland in which it has Zealand involving the establishment of a mechanical pulp mill producing 100,000 tonnes per annum of mechanical soft-word pulp and a saw-mill producing at least 70,000 cubic metres per annum of sawn timber.

is scheduled to commence operations in 1984 for export to South Korea and China.

Mitsui of Japan have signed a 50-50 agreement to conduct a feasibility study into a new commercial coal conversion plant in Victoria with a pronosed initial capacity in the late 1980s of 6.000 tonnes of dry. cool a day.

Despite these exciting propects, however, the group will continue to be well supported by its traditional sugar, building materials and pastoral activities. Coupled with its

WESTERN MINING Record profits last year

Gearing up for expansion

successful

so adores.

his trade in the unforgiving

world of management con-

sultancy (McKinseys) and has

made a fortune privately in

Australia quite outside his

He says that if CRA does

not rush on towards that

target of doubling in the

decade he for one will not

want to remain. But there

seems to be no serious im-

pediment to the headlovg

growth at CRA that Carnegie

progress in mining, develop-

ment and investment since

the 1960s when it became Rio

Tinto Zine's Australian racer

(and was named Conzinc Rio-

The emphasis now is on

Australianisation—their word.

In the last year the public shareholding in CRA has

tinto of Australia, or CRA).

The company has made big

managership of

tion went into Western Austra-lia in the 1930s and dug and drilled into what subsequently proved to be one of the richest

mineral-bearing territories on First gold, and later nickel and bauxite, have built up Western Mining's fortunes Now it has potentially its greatest and most lucrative adventure of the Roxby Downs (Olympic Dam) ore body of copper-uranium-gold in South Austra-

Essentially an Australian company in style and outlook, Western Mining likes to find mineral deposits and then invite partners with cash to help develop new mining industries. In the 1960s, the company emtered into nickel production in a big way, around Kalgoorlie, Western Australia, and became the third biggest nickel producer in the world (after Incoand Falconbridge). Nickel still an enviable reputation. They are that project, as well.

per cent of its revenue but that figure will change when Roxby Downs begins production.

Last year. Western Mining

Corporation Holdings, the main listed company for the group, made a record profit of A\$57.4m compared with A\$24.6m the previous year. reason was a higher world price

the newly-discovered hauxite deposits in the Darling Ranges of the west coast of Australia.

ness of Western Mining to finance them. The company is

for nickel Western Mining is into bauxite and aluminium through a 30.5 per cent interest in Alcoa of Australia-the company that Western Mining invited in during the early 1960s to exploit

The Roxby Downs find was made in 1976; last year Western Mining also found brown coal in South Australia. The company has an extraordinary success rate in exploration, by any standards. Its geologists and other exploration personnel have

currently spending at a rate of more than A\$20m a year on British Petroleum has become the financial muscle behind the Roxby Downs project for the 1980s. BP Australia and BP Petroleum Development are

putting up A\$50m to acquire a 49 per cent equity interest in the big ore body. Thirteen drills are now turning the site into something resembling a Gruyere cheese. Roxby Downs looks like being one of Australia's biggest mineral bonazas in the late 1980s. Meanwhile, as if to show the company does not rest on its

laurels, Western Mining has discovered a copper-lead-zinc deposit of great interest at Benambra in the so-called Australian Alps of the state of Victoria. BP has also quickly taken on a 49 per cent share of

SHELL AUSTRALIA

Powerful force for growth

growth in Australia.

as having a vital role to play in fulfilling the group's ambition to unseat Exxon as the world's largest oil company. Over the day on converting itself from becoming Australia's leading refiner and marketer of crude oil into a broadly based energy and metals company. Its new chairman and chief

executive. Mr Kevan Gosper, has already articulated the company's path for growth. By 1985 over 30 per cent of the company's activities will be outside its traditional refining business. By the end of the decade Shell Australia will interest in the Worsley become a significant producer aluminium project in Western of liquefied natural gas. coal, alumina. aluminium-and possibly base metals and synthetic fuels as well.

To achieve this Shell Aus- a partnership with Reynolds tralia will have to spend — at and CSR for a A\$650m 250,000 To achieve this Shell Aus-1980 prices — somewhere between A\$2bn and A\$3bn by 1985-6 and AS4bn up to 1990. Add in inflation, and many more hundreds of millions for projects on the horizon, and Shell becomes one of the four

At present the major investto Perth will begin producing some returns on that investment, but the real pay-off will not come until it can ship

from its equity. Less predictable in outcome are Shell's ventures into the alumina-aluminum industries, The company has a 30 per cent Australia, where a lni tonnesa-year refinery is due for completion within two years. It also has a 30 per cent stake in

tonnes aluminium smelter. In metals the company is decade.

a 66 per cent stake.
The company is also anxious: ment is the A\$2bn Shell has to to become a leading coal prolargest oil company. Over the next ten years it plans to spend the North-West Shelf natural cessions it is holding out the between ASIm and ASI.5m a gas project. By 1984 a pipeline hope that it will bring the Shellcessions it is holding out the hope that it will bring the Shellkoppers gasification technique to Australia. Two of these plants are to be built in Europe. at a cost of around A\$400m each, and a third might be built natural gas to Japan, which will he after 1986. By then Shell in Queensland. should be earning profits of between A\$150m and A\$200m With so many projects in

train, chief executive Gosper sees his major responsibility as avoiding "giving the company indigestion." This is a new ball game we are entering." he says, The risks are enormous. There are factors in it which we just can't control, because we will be doing it with borrowed money and in partnership with other companies in which we will often be in a minority position. The money we will be investing won't return to the company until the end of the

looking for tin, copper, silver, lead and zinc. Through its metals company. Billiton, it is evaluating a high-grade bauxite to get projects off the ground the longer will be the delay in deposit on the Mitchell plateau return on those investments."

Australia's largest company

THE STYLISH skyscraper headquarters in Melbourne is a reminder that BHP has broken away from its old image as a steelmaker and is now in the forefront of Australia's industrial and the forefront of Australia's industrial and the forefront of Australia's industrial and the forefront of the foref Australia's industrial and rearces development. It is Australia's biggest company.

BHP raised its group net profit by 15 per cent last year, to A\$217m, as the oil and gas revenues flowed freely from its wells in the Bass Straits. The significance of the Bass Straits finds in the group's development can be seen by looking at the net profit more closely. More than 90 per chart of it came from oil and gas, while the steel division lost A\$2ām during a year bedevilled by strikes.

BHP is now looking very critically indeed at its steelmaking operations. The feeling in the group seems to be that the case is not yet proven for a future round of steelmaking investment. A recent report by the Industries Assistance Commission (IAC) says basically that if other nations wish to subsidise their steel industries then they should be allowed to get on with it, and that to get on with it, and that Australia should feel no need to emulate them.

tax depreciation rules.

tralian steel industry. The company has a capacity of

SIR LESLIE THIESS

Back in a big way

"COAL is my masterpiece," says Sir Leslie Thiess. But two years ago the father of Queensland's coal industry seemed destined for reluctant retirement at the age of 70. His lucrative coal interests in Australia had been snapped up by CSR in a surprise takeover bid, the largest in Australian history.

Now, after 12 months or so licking his wounds, Thiess has bounced back. The shoulders are hunched, and he no longer walks with purpose and urgency, but the mind is as agile as ever. Sir Leslie is back in business in a big way, with a quarter share in the huge Winchester South Queensland Coal Project and his buy-back from the CSR of the construction division he set up almost 50 years ago.

Sir Lestie denies his comeback is just a case of proving a point "It's my make up. I developed the company in the first place, and I don't want to lay down and give it up. I like to be active and get around doing things," he says.

Getting around includes reviving the active contacts he had with the Japanese before the CSR takeover. He is expected to spearhead the contact with them for the partnership in Winchester South shared with BP. He says foreign interest in Winchester South has

The IAC does not find grounds for helping the Australian steel industry which is suffering from slow tax does not find

BHP virtually is the Ausnearly 10m tomes a year and employs 43,000 people in the steel division. It is unlikely that the company will in-

years. "We plan to start operat-

ing and delivering coal on a small scale by the end of 1983.

around 750,000 tonnes a year,

rising to 3m tonnes by 1985.

There are three Japanese com-

"We should be able to an-

nounce contracts within a

month of so. The customers are

anxious to set it up. All we

With his new found coal

interests, and the construction

boom, Sir Leslie will once again be a central figure in

Queensland development. His

construction interests dominate

have to do is to say yes.'

panies, and another in Taiwan,

that want our coal.

last year.

"The initial production will be

nuch bigger than that in the international coal trade.

To give an idea of the scale of the new coal operations contemplated by BHP, one new open pit will have an ultimate depth of nearly 1,000 feet. There is more than 300m tonnes of coal to be recovered in a series of seams, each of up to 6 metres in thickness. BHP's total coal reserves in been so marked that the timethe Saxonvale area of the Hunter Valley alone are put table for its development has been brought forward by two

at about 1bn tonnes.

crease steelmaking capacity. Indeed, the operation may be slimmed down as some old

capacity is retired.

BHP has been disappointed by the IAC report on steel.

But senior men in the group, who were born and bred in the steel industry, find the excellent profits from their

expanding energy and minerals sectors a great com-

As a coal producer since 1915, BHP is well placed to benefit from the expected build-up of Australia's coal

exports. Last year the com-pany made A\$114m by the

sale of nearly 3m tonnes. By 1984 BHP expects to be producing 4.5m tonnes a year

of steaming coal for the ex-port market. And the group has the potential to become



Jennifer Price, a sorter, grades diamonds at the Argyle Prospect

Boundless optimism

IF THE bonus payments earned by the face workers underground at the Harrow Creek Colliery in the heart of Utah in Central Queensland are any guide, the major shareholder of the Utah Development Company, the U.S. giant General Electric, and the tax collectors from the Australian Government are in for a good year.

the building and engineering scene-and more than 500,000 Some miners have been knocking up a weekly bonus of over A\$300 a week which people are expected to migrate north to Queensland over the next 10 years. The company means they share their extra spoils with the taxman. But with spacious three bed detached homes provided at already holds 27 of the 47 major engineering contracts started A\$5 a week and canteen food How much longer can a man at next to nothing, there is of 72 keep up with the demands plenty of real disposable income left. Harrow Creek earnings may of this kind of operation. "I

don't know. Probably until I have a heart attack." not be typical of Utah's cash Was that likely? machine in the Bowen Basin 'No, I don't get them, I coal province—it is a trial colliery based underground. But throughout the company's mines, including those in its 76.25 per cent owned Central Queensland Coal Associates, managed by Utah, there is boundless optimism,

Although Utah is cautious about publishing its coal shipment figures at greater than six-month frequency - with the next statistics out in August — company sources indicated that in the half-year to June 30 they were sub-stantially ahead of last year's. Barring any unpleasant stoppages in the near future it should be a sparkling year.

The company negotiated a 50 per cent increase in coal prices for its Blackwater Coal, after showing an unusual display of muscle with the Japanese, culting off shipments after negotiations had broken down.

The company is also

improving the efficiency of its mines. At a small laboratory outside Mackay, technologists are analysing the fringe coal to improve recovery rates. Every one percentage point improvement goes to the bottom line," says treasurer John Wruck. Another on-site test involves checking oil samples from all mining equipment every 200 hours. A computer print-out indicates

engine or other moving part wear, and the equipment is scheduled for maintenance. Once, not long ago, Utah was the blackest name in coal. The one multinational everyone learned to hate, mainly because of its secretiveness, high profits, and low selling prices. It has now gained respectability, partly as a result of producing figures which show it takes one dollar for every two the Government gets.

Project Among the top ten decision

and the state of t

ONE SIGN of the swing towards greater Australian private sector involvement in infrastructure investment has been the granting to Santos of Adelaide within a year of the opening of the pipeline in 1983.

Santos (which stands for South Australian and Northern Territory Oil Search) started in of a Government licence to build and operate a A\$130m petroleum liquids pipeline from the Cooper Basin oil and gas ESSO AUSTRALIA may well win the award as the most visfields to the coast. Earlier in the planning of the

ible of the multinationals. It is not every year the main board project (which will make a big contribution to the develop-ment of the Cooper Basin energy of Exxon comes to Sydney, stages a full scale directors resources) it had been thought the pipeline would be owned and built by the Pipeline Authority of South Australia. But Mr E. R. Goldsworthy: meeting in the spectacular setting of the Opera House, and has its chief executive, the erudite Clifford Garvin, addressing the nation for over half an hour on the politics and econ-omics of the global fuel prob-South-Australian Minister of Mines and Energy, said: "Changes have been necessary

Esso has been visible in other funds, now available to the states." ways too most prominently in its May decision to drop the idea of a pilot plant in the Rundle Share Oil Scheme and instead conduct a two year The South Australian Government intends that the pipeline will carry enough ethane to be the feedstock for a new petrofeasibility study before making chemical complex in the a final commitment to going Adelaide area. It will also carry crude oil and condensates.
Arrangements will be made to

There is still a big question mark over Rundle. If the cost of development proves to be as high as Esso thinks it might be, then as Mr Garvin put it, the project is not justified on current or anticipated oil prices. But even if the project is economic, the oil produced will be expensive. You are going to be astonished at the prices," Mr Garvin promised.

ESSO AUSTRALIA

awaited

resource company, and in the last year it has pushed ahead with grass roots exploration for copper, uranium and other

It holds a 25 per cent interest in the Hail Creek cooking coal deposit in Queensland, a 31 per cent stake in the Golden Grove copper prospect in Western Australia, and a 15 per cent stake in the Yeelirrie uranium find in Western Australia. Esso exploration and produc-

ture in Australia. The company is incorporated in Delaware, U.S. and its Australian business is managed by the Australianincorporated Esso Australia. But Exxon retains the final holdings in minerals decision on new projects, and which are expected to each is assessed individually profits in the future. for profit potential.

Esso has no plans to provide said Clifford Garvin candidly. "I like Esso Australia the way the market became excited company has also a about its brown coal deposits Bass Straits licences.

South Australian and Northern Territory Oil Search) started in 1954 and has become the most successful by far of the onshore oil and gas operators. It has achieved a record of four good exploration wells in every ten drilled. Like other Australian energy companies Santos looks for oil but more often than not finds gas. As a major seller of Cooper Basin gas Santos has led a vigorous campaign to see the consumer price for gas raised to levels which will support further

Following recent changes in Santos ownership Mr Alan Bond and Mr Rupert Murdoch, two of Australia's liveliest entrepreneurs, each has a 15 per cent stake in Santos through their companies.

This year Santos has already notched up one of its greatest successes by making the biggest onshore oil find ever in Australia-3,250 barrels per day. The well is in the Cooper some extract liquefied petrolem gas 500 miles north of Adelaide

Pumping more oil

Bass Strait oil discoveries LAST YEAR the Moonie Oil in Victoria. transformed Essa from just Company bought Carrick In-Moonie's another petrol marketeer to a vestments, which is involved in present is fi vestments, which is involved in oil and gas production and in south-eastern Queensland, pipeline ownership in Queens- where total output from Moonie land, and as a result raised and other oilfields is running at sales for the year to A\$22m.

Moonie is a vigorous example of the relatively few home-grown Australian companies that are true oil and gas businesses. Although Moonie can be seen by the spread of its interests as a mini-mining house since it went public in 1979, Mr Peter Mitchell, the chairman, said: "We see our tion has no management structure primary business as finding. Now, with gas pricing tightly ture in Australia. The company and developing oil and gas controlled by the states, it is

fields and producing."

The mining side of the business is mainly concerned with non-income-producing oil. holdings in minerals companies which are expected to produce

With-a market capitalisation of A\$300m Moonie is now one Australians with local equity, of the top 50 Australian com-"Why should I want to do that," panies and recently found itself rated briefly in the top 20 as

Moonie's principal income at present is from the Surat Basin around 370,000 barrels a day. . With additional development wells and a continuing well maintenance programme

Moonie expect production to remain at a steady level for several years to come. Moonie showed lucky timing in the Australian oil and gas developments of the mid-1970s. putting the weight of its ex-

Surat Basin operators including

ploration and development thrust towards pumping more The Amadeus Basin central Australia was drilled sparsely some 20 years ago. Both oil and gas has been found there. Now Moonie is one of the operators going into the basin again in the hopes of new discoveries. The company has also applied for

Exploring for energy in Australia!

500 km saismic program planned September, 1981 to delineate hydrocarbon targets similar to adjacent Scott Reef, Brecknock Gas Fields and test for Devonian Reef occurrences in southern portion of permit as per the Blina Oil discovery. Drilling activity adjacent to permit planned by Esso, Woodside, Brunswick in 1982.

Reef Structure mid 1982 to test Devonian Carbonata Off Play and Cretaceous oil

Drilling my contracted to drill Filmey

Drilling planned early 1982 in test for Woodada type Permian Carbonate play in shallow weter permit. Mesa Australia farmed in as operator to drill up to 3

Seismic program recently completed by operator Mesa Australia Ltd to delineate any Permian carbonate plays similar to djaceni onshore Woodada discovery. Drilling scheduled for 1982.

Petrel Gas Discovery Scott Reef Gas Field Blina Oil Discovery North Rankin Gas Field Barrow Island O Gas Field Mereenie Oil Field Palm Valley Gas Field Dongarà Gas Field Ho Woodada Gas Discovery

unic and drilling activity planned in adjacent permits to east by Shell, Cluff Oil and CNW.

OPIGS: Davis I. first well in Ngaliz Basin, N.T., ic test section similar to Amadeus Basin to South recently completed. Encouraging gas shows reported. Further set

drilligg plans under review.

Gregory River No. 2 exploration well recently drilled in Maryborough Basin, Qld. as follow up to Shell Gas Discover at Gregory River No. 1, 1967. Encouraging

GEOMETALS N.L.& CONEX AUSTRALIA N.L.

For further information contact our UK representative: Grapes House, 79a High Street, Esher, Surrey.

8th Floor CAGA Centre 256 Adelaide Terrace Perth, Western Australia 6000 Telephone (09) 3251844 Telex AA93687 BALMOR

Balmoral Resources N.L. is an Australian exploration Company incorporated in September 1980. It has 11.4 million 35 cent shares and 9.9 million options issued. Total funds raised exceed A\$4 million.

Since incorporation Balmoral has vigorously pursued a policy which emphasises the early generation of a cash flow by investing in moderate risk petroleum drilling ventures in the USA. At the same time it is continuing to explore in Australia and has acquired new areas.

Exploration emphasis is mainly based on petroleum and gold, although other mineral prospects are being investigated.

Petroleum Exploration - United States

Balmoral, through its wholly-owned US subsidiaries. has contracted for interests in 33 wells drilled or to be drilled in Texas (2 wells), Ohio (30 wells) and Louisiana.(1

In Coleman County, Texas, Balmoral has completed two oil wells. Production from these is expected to commence later in the year.

In Ohio, Balmoral has contracted to participate in 80 wells. The first ten wells have been completed as commercial producers and are expected to commence production later this year. Balmoral will generate a significant cash flow from Ohio.

Petroleum Exploration - Australia

Balmoral has interests ranging from 3% to 100% in 14 petroleum exploration permits or applications for permits in Australia totalling a net 9.4 million acres. It is particularly active in the Canning Basin of Western Australia where it has the following interests: 7.5% in EP 107, 25% in EP 209 and 50% in applications EPs 253, 256 and 257. It is also part of a consortium farming in on a permit close to the recent Blina oil discovery.

In the Perth Basin close to the Dongara gasfield which supplies the city and industries of Perth by a 400 km long pipeline, the Company has a 3% interest in EP 105 and a 100% interest in EP 201. The former is a deep gas prospect and EP 201 has shallow oil potential. Offshore, Balmoral has a 10% interest in an application to explore for oil and gas in geological situations similar to those in which there have been recent gas discoveries near Woodada north of Perth.

In Queensland's Surat Basin the Company has a permit in an established petroliferous area on which a seismic programme is approaching completion to define a drilling target.

Balmoral has acquired and continues to seek gold prospects throughout the established goldfields of Western Australia. On one of these, the Oroya East Project (Balmoral 50%) located in Kalgoorlic's Golden Mile, diamond drilling and rehabilitation of the 1,000 ft deep Oroya East shaft is in progress.

The Company has strong technical backing through its own staff and international consultants retained on long term contracts. Balmoral Resources N.L. has significant cash assets and will have a strong cash flow in the near future. This will be used to pursue a continuing active exploration programme both in Australia and the USA.

Unemployment figures falling steadily

SHORTAGE OF skilled labour Australian workforce will be is a well-recognised problem associated with Australia's resources boom.

In spite of a sharp increase in immigration of skilled workers and the stepping-up of trade training programmes for the young, Australia's mining and industrial chiefs are still warning that the skilled labour shortage remains probably the single biggest bottle-neck to exploitation of the country's mineral wealth.

The mining boom is creating new jobs in Australia. But at the same time demand for scarce skills is being partly blamed for the recent surge in wages which is fuelling inflation.

Mr John Howard, Australia's Treasurer, warned recently that unless the present trend in wage increases was quickly reversed, all the benefits of the past six years of restraint and the development prospects for the future would be lost.

Wages are rising at an annual rate of 16.2 per cent compared with an inflation rate of around 10 per cent and a GNP growth in real terms of about 4.3 per

Rising inflation and increased labour costs have cast doubt on the viability of some projects. Soaring costs, including that of labour, was the main factor in the abandonment earlier this year of the proposed Rundle oilfrom-shale pilot plant in Queensland and at least one investor has withdrawn from a proposed aluminium smelter in New South Wales because of escalat-

ing_costs. The positive aspects of the mining boom on employment are already evident. There has been a steady growth in the size of the Australian workforce over the past two years and unemployment which remained stubbornly around 6 per cent for most of last year has been steadily dropping. In June it was 5.2 per cent—the lowest Estimates of the number of

tradesmen needed over the next few years for the coal mines, railways, ports, power stations, and alumina smelters in New South Wales's Hunter Valley runs into thousands.

For the North-West Shelf natural gas project in Western Australia between 3,000 and 4,000 skilled tradesmen will be needed over the next few years. Then there are coal mines.

plants and smelters planned for Queensland, mines and power plants in Victoria, uranium mines in the Northern Territory and South Australia and possible uranium enrichment and nuclear power plants. The Department of Industry

and Commerce estimates that at least 60,000 new jobs or around I per cent of the current total

part of a well-balanced

consists of fixed interest

cash and commodities.

You should regard your

investment as long-term.

portfolio which also

securities, equities,

Proven investment

expertise in energy,

created directly in mining by the mid-1980s.

However, as Sir Phillip Lynch, the Industry and Commerce Minister, noted recently, many more jobs are likely to be indirectly created as new investment opportunities based on resources open for manufactur-

ing industry.

Around 70 per cent of resource investment expenditure can be expected to be spent on Australian goods and services, according to Government and industry surveys. In Western Australia more than A\$100m in construction and engineering contracts for the north-west Shelf natural gas project have already gone to local companies.

The structural change being brought about because of resources development is not without problems. The Government has proposed a wideranging inquiry into Australia's wage fixing and industrial rela-tions policies.

Mining and industrial chiefs, and even civil servants, are blaming Australia's inflexible centralised wages policy for hindering the movement of labour from the inefficient to the efficient sectors of the economy -fuelling inflation by dragging up all wages regardless of profitability of individual employers or industries—and causing an unnecessarily high level of industrial disputes,

The pay policy is operated through the court-like Arbitration Commission which each April grants an automatic pay rise to the entire Australian workforce. This rise is fixed at 80 per cent of the rise in the cost of living for the previous six months. In October wages are again reviewed and the Government, unions and employers put their cases for or against another general wage rise.

The system tends to suppress margins for skill and it is estimated that 11 per cent of Australia's skilled tradesmen ability and locality or district are not working in their trade allowances to attract workers to



The mining industry still faces a shortage of skilled workers. Above: Michael Silcock, a geological technician, collects data for the Ashton Joint Venture's Argyle diamond prospect

THE LABOUR SCENE

PATRICIA NEWBY

but doing other things like taxi-

driving.

Mr George Mackay, managing director of the mining giant EZ Industries, and president of the Australian Mines and Metals Association, last month called for a more flexible wage fixing system that would enable mining companies to attract skilled labour without necessarily pushing up the country's entire wage

policy which would guarantee of strikes. a rise to the weaker sections of the workforce but pay margins for skill, occupational dis-

the: inhospitable mine sites. The Australian Treasury favours the abandonment of any centralised pay policy and recommends a return to free col-lective bargaining.

The level of industrial disputes in Australia is also causing Government and industry The national union concern. campaign for a reduction in the standard working week from 40 hours to 35 hours is exacerbating an already poor industrial relations record

International comparisons are difficult because of variation in methodology, but according to International Labour Organisation (IIO) figures. Australia is in the top half-dozen most disputatious nations based on numbers of days lost because

Australia's record is worse than the UK but better than the U.S., Canada, Italy and Spain. Australia's strikes are often considered to be more disrup-

liberally interpreted, but there

are indications that the Fraser

of putting a brake on the flood

of foreign venture capital for

takeovers, especially in the

There has been criticism in

the past year that only 2 per

cent of foreign investment pro-

posals including takenvers were

rejected by the FIRB in

The Board does point out,

however, that many proposals are withdrawn when it becomes

clear they will be rejected, and

also notes in its annual report

that many approvals were sub-

ject to conditions including gradual huild up of Australian

ownership and equity,

minerals sector.

longed strikes in relatively small sectors of the economy that occur in North America.

For example, in the past year strikes have grounded Australia's airlines twice, halted commuter transport in most cities several times, thrown telecommunications into chaos for three weeks, caused power supplies to fail, petrol to be supermarket and shelves to be emptied.

Japan, Australia's major officially several times about Australia's disruptive and

there is a will among employers and unions to try to limit industrial strife or whether

The inquiry is expected to adversity."

tive because of their wildcat look at some of the factors nature compared with the pro- behind the strife - an entiquated apprenticeship system based on nineteenth century British craft guilds; too many unions (350 for a workforce of 6.6m) leading to demarcation disputes and unwieldy industrial relations for employers, lack of dispute settling mechanisms within the society. and lack of manpower planning by either government or industry.

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Immigration remains the Government's main safety trading partner and customer valve. The 40 per cent increase for much of the energy and in skilled workers arriving in mineral resources underpinning Australia in the past year helps the boom, has complained ease the labour shortage. dampen wage demands and to some extent lessen industrial destructive industrial relations. strife. In the nine months to The Government's inquiry March more than 17,000 skilled

immigrants arrived. However, even with its problimit lems Australia is a lucky ether country. As Mr Ian Viner, and Industrial Relations Minister, industrial strice of water investors, customers and Industrial Relations mutation.

Australians alike will have to remarked recently, "it is better accept the costs imposed by to be grappling with the problems of prosperity than of

> **WEST COAST HOLDINGS LTD. COMMAND MINERALS N.L.**

OIL AND GAS - BASE - STRATEGIC -PRECIOUS METALS in Western Australia and Queensland

West Coast Holdings Limited and Command Minerals N.L. are two associated Perth-based companies seeking energy resources, base and strategic metals and precious metals in Western Australia and Queensland. On the oil and gas exploration side, West Coast and Command, through their jointly-owned offshoot Golden West Hydrocarbons Proprietary Ltd., have eight interests in the Carnaryon and Perth Basins of Western Australia and the Bowen, Cooper and Surat Basins in

In the Carnaryon Basin, the partners hold or are earning interests in Exmouth Plateau Permit WA-102P which contains the Tantabiddi prospect, the recently granted WA-149P, which surrounds Barrow Island on three sides, and WA-24P Part 1R2 immediately to the west of WA-149P. They also hold two interests in the Surat Basin and one in each of the Cooper and

High hopes are also placed on gold prospects at Donnybrook and Ora Banda in Western Australia, and the companies maintain active exploration programmes for base and strategic metals and gold, silver and other mineral prospects elsewhere in Western Australia. In Queensland, two base metal prospects are currently being subjected to drill testing, and a helicopter assisted remote sampling programme has recently been completed.

The two companies are led and managed by men wiff. considerable experience in the mineral exploration business, and their aim continues to be to increase the group's exposure to energy while maintaining a positive hard rock exploration effort. The companies maintain fully staffed exploration offices in Perth and Brisbane.

West Coast Holdings Ltd./Command Minerals N.L., 6th Floor, 189 St. George's Terrace, Perth, W. Australia 6000. Tel: (09) 322 2366 Telex: AA 93013

London Information Office: City of London Financial Public Relations, 42 New Broad Street, London EC2M 1QY Tel: 01-628 5518 Telex: 8811725

Concern over the vast inflow of foreign funds

FOREIGN INVESTMENT rolling budget of A\$36bn. into Australia at almost embarrassing levels in recent months has led to a resurgence of debate within the country about the

rent tax on profitable mining operations and the role of multinational mining companies are being canvassed. At the same time the rural and manufacturing lobbies have become more vocal in warning that the sudimpetus in resources development could have adverse effects on other sectors of the

For example, the National Farmers Federation, which represents the country's 170,000 farmers and graziers, believes at least A\$400m was wiped from rural producers' incomes last rises directly attributable to the

inflow of foreign capital for resources development. During the Australian financial year which ended on June 30, a record A\$6bn poured into the country. The previous record was the 1978/79 level of A\$1.3bn. This year in April alone nearly A\$1bn flowed in. Mr John Howard, the Austra-

lian Treasurer, while pointing out that the vost inflow of foreign money shows confidence in the economy has also admit-ted it is causing some headaches for the Government. There is upward pressure on the exchange rate, inflation and interest rates and the inflow of foreign cash makes it virtually impossible for the Government to hold down the money supply crowth to targets of between

nine and 11 per cent a year.
In the 12 months to May the money supply grew by 12.7 per cent and is expected to be even higher for the full financial year

to June 30.

The Australian exchange rate has risen by around 10 per cent in the past year against a trade weighted basket of currencies and there is now a great deal of pressure on the Government to reduce tariff protection on

the inefficient manufacturing

pressure on the exchange rate. Federal Cabinet has deferred discussion on tariffs while fur- and many academic economists ther information is collected, but the powerful manufacturing lobbics are already aligned against cuts. With 5.2 per cent of the workforce still unem- a way of spreading such wealth the Government is fairly. unlikely to be very adventurous. In any case tariff and quota arrangements for the motor vehicles, footwear, clothing and textiles industries are already

The unexpectedly large injection of foreign funds into the their previous policies towards the minerals and energy sector.

three or four years.

can be proved in the national A number of Federal funcinterest These rules have been fairly

tions were transferred to the State Governments and Prime Minister Malcolm Fraser and need for a national policy on Treasurer John Howard took Government is considering energy and minerals develop- a tough line with the state insisting more firmly on premiers in May by forcing Australian ownership as a way them to accept terms in the amount of income tax revenue they will receive in 1981-82 from Federal coffers. Mr Fraser and Mr Howard

have also taken a strong stand that all governments in Australia must reduce their borrow-

> GOVERNMENT **ATTITUDES**

PATRICIA NEWBY

ing requirements in an effort to control domestic liquidity and ease pressure on interest rates. ings will have immediate impact

ments to mining companies and Previously the States were competing with each other in offering infrastructure concespower rates, cheap freight rates, assistance with building of railways and ports, in an attempt to altract resource ventures mainly for their em-

on services offered by govern-

ployment-generating prospects. government and economists is that infrastructure should be provided by the mining companies themselves and only rarely by governments which should

This may well have some dampening effect on resources remains firm that the economy is overheating and that if a project with its associated infrastructure is not viable for an investor, it is not viable for governments or the country as

The controversial question of a resources rent tax on mining sector to ease inflation and operations of Australia's nonrenewable assets has also been raised again. The Treasury redistributing to the Australian people some of the wealth to be won from the ground, and as

The attitude investment by the Government and the Labour Party, which needs a swing of less than 2 per cent to win the 1983 in place for at least the next Federal election, has been growing closer partly because of the vast capital inflow.

The spotlight is now on the Australian economy has also Foreign Investment Review caused the Federal and State Board (FIRB), which examines Governments to rethink many of and recommends to government whether foreign proposals should be accepted or



KIA ORA GOLD CORPORATION N.L.

Activities Report Year ended June 23, 1981

1. Marvel Loch Gold Mine

Development: Development of the underground workings commenced in July 1980 on the 3rd and 4th levels. A total of 411 metres of drives and rises were completed prior to the commencement of shaft. sinking operations in April 1981. The shaft is to be sunk a reval of 80 metres to give access to one reserves between the 4th and 6th levels. At the end of June 1981, the shaft sink has progressed as far as the 5th

Production: A total of 10,115 tonnes of ore had. been extracted, when production ceased to allow. shaft sinking operations to proceed. Of 8,289 tennes processed through the treatment plant for a total of 61,303 grams of fine gold were recovered at an average recovery of 7.4 grams per tonne. These tonnages include 2,167 tonnes of low grade ore averaging 3.5 grams per tonne in the initial development stage. On completion of the shaft sink the Company expects to produce up to 60,000 tonnes of ore per annum from 2. Milling Operations

The ore treatment plant involves gyratory

crusher, a ball mill and a carbon in pulp circuit. Production capacity is restricted to a maximum of 10 tonnes per hour due to the existing ball mill. However, the Company can increase the plant's throughput to 20 tonnes per hour by the addition of a second ball mill. The Company proposes to install the ball mill and make modifications to the carbon in pulp system prior to December 31, 1981.

A total of 26,031 tonnes of ore have been processed by the plant for the 11 months to May 26. 1981 at an average throughput of 8.68 tonnes per hour and a further 9.313 tonnes of sands have been repulped for a total of 105,200 grams of fine gold.

Ore processed at the mill has come from the

Inc. Joint Venture Mining Operations at Neveris, situated S km from the mill 3. Exploration

The Company has taken an active drilling and

geological mapping programme to determine the extent of ore reserves at Marvel Loch. Estimates of ore reserves at June 23, 1981 prepared by Aurex Pty Ltd. are:

34,000 Tonnes at 5.6 gars 107,000 Tonnes at 9.0 gms

-Probable 38,000 Tonnes at 5-7 gms 63,000, Tonnes at 8-10 gms

86,000 Tonnes at 7-9 gms 68,000 Tomber at 5-7 gras 400,000 Tomoes at 7-10 gms

In addition the Company has purchased a gold. mining lease and pegged 16 mineral claims at Mr. Rankin, a randed fron fermation on a prominent feature approximately 25 klms from the Marvel Loch treatment plant and 15 kims in length. A test parcel of 566 tonnes of ore from this source

was processed through the mill recorded an average head grade of 4.3 grams per tenne. The Company is currently sinking a shallow exploratory decline shalt at the Mr Rankin prospect, and proposes to carry out. an extensive drilling programme on these claims.

The Company anticipates a profit from its mining operations at Marvel Loch in the year ended June 30, 1962. At its current costs of mining and extraction is can maintain a profitable position even should the price of gold fall below US\$400.

The Mt Rankin claims are an exaking prospect. and should they live up to the Company's expectations they will provide an ore supply to the mill for a long time.

Sir - Your To be doubling of arance payout: malarm is sho ese figures h erman state and his profit Peratina. Iliis combate Export Ci Department wh With present t Balarm and hoted 2.viuso me ilme redi A justisauce cu

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stylists imm yr X. Fari Sir.—I read Imm yr X. Fari Sir.—I read Impulative see Impulative Impulative see I

In April the Australian Gov- rejected. The Labour Party's stated ernment announced the socalled Razor Gang Report which policy is to tighten foreign Kia Ora Gold Corporation N.L., Company's mining operations at Marvel Loch, was in effect a mini-hudget. investment rules to enforce, as Corinthian (since abandoned), Lennenburg and of 517 Hay Street, Perth, W.A. 6000 slashing Federal Government far as possible, the provision ore purchased from the Dampier Mining Company Third Floor expenditure by around A\$600m that there should be \$1 per cent Ltd. and Esso Exploration and Production Australia Telephone No. 325 4588 over the next year to 18 months. Australian ownership of pro-compared with a total domestic jects unless offsetting benefits

Britannia Australian Performance Fund

Australia's huge wealth in mineral oil and gas resources provide its economy with outstanding prospects over the next ten years. These appear all the more remarkable when seen against the fears of recession and

stagnation that beset Western economies.

This Fund offers the following important * A-method of holding a portfolio of Australian miningandenergy stocks in one convenient

investment vehicle. * Britannia's long-term expertise in energy investment through managing such funds

* Professional management of a volatile * A risk investment with the advantages of being quoted on the London Stock

Exchange.

as the Jersey Energy Trust.

Part of a balanced portfolio Investing in Australia involves high risk. The Fund will be volatile and the price of shares will go down as well as up.

We therefore recommend that the Fund be

Portfolio Profile

66... the Fund which is quoted on the London Stock Exchange, aims for long-term capital growth from a managed portfolio of Australian shares with emphasis on energy, mining and resource companies...? The Times (6.3.81)

mining and resource companies. The Britannia Group has considerable expertise in the management of energy mining The Britannia Australian Performance and resource investments. In fact we manage Fund is your key to this rich vein of wealth.

> in these areas. As a Group we are responsible for the management of over £450m, for over 200,000 investors.

based funds with substantial investments

six U.K. authorised unit trusts and three Jersey

Switching Facility . After investing in the Britannia Australian Performance Fund Limited, investors can switch to any Britannia unit trust or Channel Islands equity funds at a 21% discount off the

offer price. The Britannia Australian Performance Fund Ltd. was launched by Britannia International Investment Management Ltd., on 5th March, 1981 at £1.49 per share. Shares will be allocated to you at the price ruling on receipt of your instructions.



Britannia International Investment Management Limited

To: Douglas D. Aitken, Director, Britannia International Investment Management Ltd. P.O. Box 271, Oueensway House, Queen Street, St. Helier, Jersey Channel Islands. Tel: (0534) 73114 Please send me a prospecti Performance Fund Ltd. (or applications will be consid

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Britain's state-owned airline lost about £120m in 1980-81. Michael Donne, Aerospace Correspondent, looks at its future. British Airways: storm clouds gather

BRITISH AIRWAYS faces some very hard choices over the next There seems no prospect six months as it tries to come to terms with substantial and continuing losses.

state-owned airline, which less than two years ago fit on its own, so a was high on the Government Government rescu list of candidates for "privatisation," is expected next week to announce a loss of more than £120m for the year ended March 31, 1981. And if any-thing, it has been losing money more rapidly since the start of the present financial year. Some of this is due to the recession which has severely hit all airlines. British Airways has also been badly affected by the air traffic controllers' dispute which has cost it at least £20m in lost profit, and by competition on profitable routes it used to have to itself.

But the deterioration has been so rapid—and so extensive—that even when this dispute ends there now seems no prospect that British Airways will be able to haul itself back into profit on its own.

A Government rescue, therefore, seems inevitable. But in return for it the airline will almost certainly be forced to confront its two most fundamental problems. The first of these is that, by the standards of its competitors in a ferociously competitive market, it is, as our table demonstrates, overstaffed .

Second, the airline's wieldy management structure urgently needs overhauling. Many airline staff are too frightened to say so publicly, but the merger of BEA and BOAC in the late 1960s is now widely regarded as a grave

Beyond this, the Government is also considering the possibility that BA might sell off further assets. These could include profitable subsidiaries

that British Airways can haul itself back into pro-Government rescue appears inevitable. The airline will, however, be forced to confront two main problems: overstaffing and its management structure. Sir John King, the new chairman (right) may have to prepare a reorganisation

British Airways Helicopters, in fares by many airlines to The airline is by no means in suffering from the

Pan American, for example, lost \$217.8m in the first half of this year, and recently announced a major restructuring programme, including a 10 per cent reduction in both domestic U.S. and international flying, in a bid to get back into profitability. And Mr Knut Hammarskiold, director-general of the International Air Transport Association, said recently that last year was the worst in civil aviation history, with a traffic growth of only 2 per cent against an average of 10 per cent in the preceding five years. In financial terms, the world airline industry last year collectively lost \$1,000m (over £500m) on operating account, before taxes, interest and other non-operating items.

The blame is attributed to the recession, coupled with the extraordinary combination of dearer fares to offset fuel price rises and other increasing costs, and perhaps the injection of the meantime, other loyalties



meet increasing pressures from consumer groups and governments for cheaper travel.
"If corrective action is not

taken, the industry as a whole will not only have great diffi-culty in financing the purchase of more modern fuel-efficient equipment, which is vital to its future, but will also begin to face day-to-day cash flow prob-lems," said Mr Hammarskjold.

He might almost have been talking about British Airways. Even if there were to be a dramatic upturn in the market -a most unlikely event in the foreseeable future-British Airways is now in no position to earn its way out of its current deficits and build up big enough profits, with the prospect of long-term stability, to encourage substantial private investment.

It seems clear, therefore, that the Government will have to forget about privatisation and come to the rescue itself, with a write-off of the current losses such as British Airtours or offset to some extent by cuts new public dividend capital into are already arising. Even in short-hauls.

the better times that everyone hopes will lie ahead in the mid-1980s and beyond.

But the Government will have its price. First, it will want action on overstaffing. British Airways carries over 16m pas-sengers a year, ranking fifth in the IATA list, after Eastern (39.5m), United (32.8m), American (25.7m) and TWA (20.6m), all U.S. airlines. But even though it has shed about 10 per cent of its total workforce in the past two years, it still employs 52,000 people (with a target of 43,000 in five years' time).

Even then, however, it will Even then, nowever, it win still be bigger in staff numbers than American (40,650), Eastern (40,500) and TWA (33,145) are at this moment, while United with twice the passengers currently has 48,270 staff. British Airways may therefore have to get well below 43,000 if it wants to survive in the present air transport jungle.

Then there is the management question. The creation of British Airways, out of the merger of BEA and BOAC in the late 1960s, is now seen by many, both inside the airline and outside, as a major mistake. It flew in the face of the recommendation made by Sir Ronald Edwards in his 1969 report on "British Air Transport in the Seventies," in which he suggested the creation of a strategic National Air Holdings Board for both state airlines, masterminding long-term policy, but stressed that BOAC and BEA should retain their individual identities.

It is often said that if you scratch any BA man, you find that a BOAC or BEA man is trying to get out. This may change as older staff retire, and younger people move in. But it will take a long time, and in

affected by its policies.

Fighting inflation must apply

to all sectors of the economy.

Industry is having to bear not

only the costs of becoming

smaller but also the increased

costs of all the many national-

ised services and local authority

Our members, too, wonder how it will all "come right"

in 1982 as the pundits suggest

and hope that all the suffering

will not have been in vain.

Hydropower

Egineer, Central Electricity

Engineer, Central Electricity Sir,—In his Energy Review article "Unease about who makes the profit" (July 15),

Fabian Acker suggests that the Central Electricity Generating Board discourages the use of

hydropower. In fact the CEGB

has always been prepared to use hydropower where it is economic and environmentally

acceptable to do so. It generates

electricity from six schemes in England and Wales and recently

has come to an agreement with

the Northumbrian Water Autho-

rity to attempt to exploit the hydro potential of the Kielder

Central Electricity Generating

reservoir. J. K. Wright.

B. P Frost.

Queensway,

Redhill, Surrey.

- IATA TOP 15 PASSENGER AIRLINES IN 1980

(measured in ouptut volume)" (actual) 48,272 United 13.37 8.23 7.93 7.22 6.46 5.78 5.15 4.29 3.85 3.12 3.05 2.84 2.50 British Airways Japan Airlines Air France Air Canada KLM 18,968 24,211

today's British Airways, there are fierce loyalties in the small, separate units inside the airline, doing specialist jobs-and earning profits-such as British Airtours and British Airways Helicopters.

Furthermore, there is already a substantial polarisation of activities - pilots are either short-haul or long-haul, and do not interchange much, if at all. Much the same goes for cabin crew, while in the maintenance and engineering areas one has to look very hard to find any personnel actually working on both short-haul Boeing 737s and long-haul 747s in the same working day or week. Moreover, apart from the use of some Lockheed TriStars on short routes such as Paris, the fleet remains strongly structured according to the old divisional basis-Concordes, Boeing 747s and TriStars on long-hauls, and Boeing 737s (and the pending new fleet of Boeing 757s) on

top management may try todeny it — that many in the middle management ranks of the airline feel that it is still not too late to revert to the Edwards scheme, of individual divisions" covering long-haul, short-baul domestic regional services, each with

their own crews, aircraft and loyalties, running their own day-to-day operational affairs, required to earn profits in their own right, but still answerable to the "National Air Holdings Board" that would supervise the overall strategy, as toughly as it liked. The airline does have other

options. It can, for example, go down the Pan American road, of further cuts in staff, eliminating some routes, and reducing the volume of flying, in order try to get back into profits. But it has tried all three so far -reducing staff through volun-tary redundancies and freezing

The fact is-although some routes (such as a number of UK domestic routes) and cutting back on some frequencies -but the losses go on.

It can sell off assets, such as the Victoria Airways Terminal, and its hotel interests, such as the Portman in London, both of which are on the market, to ease its cash problems. Pan Am sold off its big head office, the Pan Am building in New York, but is still in trouble. The money that British Airways can get from selling off assets is limited, and will not fundamentally change the situation.

A reversion to the Edwards plan of individual profit-earning divisions beneath a Holdings Board controlling overall policy might thus well be the way to ensure smaller, more manage-able units, that could be highly successful—as Airtours Helicopters have shown.

The idea would probably he given a rough ride among top management, who are now "BA conditioned." But it might well recruitment, chopping out some be welcomed by middle manage-

ment, and by many workers down the line in the airline, who would see in it a more readily identifiable opportunity for improvement in their career structures. British Airways has many thousands of dedicated workers, who are proud of what they do. Other airlines are not loth to poach workers from BA, because they know they are getting good airline men and women. The BA people leave because they do not see in the present structure the career opportunities that are to be found in other airlines.

It seems likely that Sir John King, the new part-time chairman who took over earlier this year, will have to prepare some kind of reorganisation plan for the Government, as the price to be paid for the financial reorganisation that now seems inevitable. This would not in any way be intended as punitive, but designed solely to put the airline into a position where it can earn profits into the 1980s. and be progressively prepared for an ultimate sale to the private investor.

Finding an adequate scheme of reconstruction that meets the airline's problems, does not upset the staff (especially the unions) and also satisfies the Government is an almost impossible remit for any chairman.

But Sir John is known to be tough, determined industrialist, who is still closely connected with private industry. He is not afraid to take bold decisions, and can talk to the Government and the civil servants in the Department of Trade without fear or favourwhich is not something that any internal career airline man in of BA's losses becomes known next week, he is likely to be given a tough time himself by Parliament. If, at the end of it, British Airways emerges leaner, and on the road to profitability. the difficulties will have been worth suffering.

Letters to the Editor

Coal and finance handouts

From Mr P. Leivers.

納息。接

Sir, -- The announcement by Government of its intention to increase the National Coal Board's external financing limit by a further £231m raises the question as to whether adequate consideration is given by Government to "cost effectiveness" before "hand-outs" are given to finance measures many of which are of doubtful value to the country, the taxpayer and, indeed, the long-term interests of the mining industry.

The alternative of providing this sum as an interest-free loan to reality and starts to of the finished goods." Many to enable industry to replace encourage management efficiture economics of an in-house both gas- and oilfired boiler encourage within the profession (per true economics of an in-house plant with modern coal-fired haps a new class of RIBA equipment, would be of greater membership?) clients will conbenefit than the recently tinue to find a deficiency in the announced £50m available for process and will make a growing grants of up to 25 per cent for oil conversions only; would reduce the current crippling energy costs to British industry; give a sorely needed shot in the arm to the shell boiler manufacturing industry; and provide a long-term and increasing market for industrial coal. P. F. Leivers. 198, Mansfield Road,

Exporters' exigency

From Mr H. Wolff Sir,—Your report July 22 on the doubling of West German insurance payouts emphasises that no alarm is shown as a result of these figures because the West German state export insurance organisation "Hermes" has made big profits on its business over the more than three decades the scheme has been cades the scheme has been the cades the scheme has been the cades the scheme has been the cades the cade the cad

in alarm and despondency has imposed swingeing premium increases on our exporters, at the same time reducing the scope of insurance cover putting our ledge—of knowledge, not applied exporters into a much less com-

much larger surpluses of past years which should surely have been invested at market rates to provide a cushion for these had times? H. Wolff. Shingleton and Company,

187. Widmore Road, Bromley, Kent. Really able stylists

Sir.—I read with interest Owen Luder's letter (July 16) particularly as Mr Luder seems to have been receiving a glut of publicity through his inauguration as president of the Royal publicity through his mangura-tion as president of the Royal Institute of British Architects. There are between 21,000-22,000 members of the RIBA in Britain, and to suggest that all of them can be both excellent creative designers and efficient managers might be construed as with almost all our members being naive; the human charac- adversely affected by the teristics which enable an architect to produce innovative "free thinking" designs, are the polar

There is a good blend, within and continuing dependence Government have been worst the RIBA, of creative designers upon the Government short-affected by its policies. and efficient managers, Because, however, as Colin Amery said in his article (July 6) "... architects ... are designers first of all " and because the building

remains long after the squabbles over design and construction have subsided, it tends to be the creative designers who rise to the top of their firms and profession Consequently, we have the

situation where a good many of the architects making management decisions in a firm are to do so.

use of independently appointed project managers. N. Thomas Farrow. 27 Comeragh Road, W14,

Making for less awareness

From Mr H. Rhee Sir.—The comment by Lord Robbins (July 21) on the policy now being forced on Britain's Universities seems to me to focus attention on the central point of that policy: can Britain's Universities, graduate and research schools and institutes afford to accept a policy that would relegate them to a very low status and abandon all that it has taken

generations of scholars to

The question is not how many graduates from which faculties not the question because even the worst faculties in the worst This compares sadly with our own Export Credits Guarantee Universities are not vocational univ controversy is about is whether exporters into a much less competitive position as against their many of the world's best brains are now to be forced by fifther are its (probably) where are its (probably) most, of them without so much as a shadow of academic distinction) to abandon what it

> establish. H. A. Rhee. rue du Vidollet, 12,

Recessionary yardstick

From the Chairman, British From the Chairman, British Contract Presswork Association Sir,—With reference to the feature on "The state of British industry" by John Elliott (July 23), we would like to add our roses to those expressed in the voice to those expressed in the

article. We are primarily west-Midlands based, with approximately 90 per cent of our 40 members in that area and would say that the battle for survival continues present economic depression. A article of June 15. The latest proposal by Professor Alan recent survey has shown in relation to 1980, reductions in Walters on hiring school turnover of up to 50 per cent leavers, far from oiling the disciplines which can produce a and corresponding reductions in wheels of the labour market. employees up to 70 per cent would seem to produce even Booth Street West, Manchester.

time working subsidy.

The association covers a wide range of pressworking companies engaged in sub-contract and the present state of the market in motors, domestic appliance and commercial vebicles, the reduction in customers' requirements and the consequent availability of inhouse pressing facilities, have caused an over-capacity situation in the sub-contracting industry. Our main philosophy is that "it is better for the those least suited, by character, customer to buy-not make, concentrating thus Until the RIBA comes down assembly, marketing and sale by the end users when faced with this situation.

> Many members have stressed that the damage being done to the private sector will be irreparable while the public sector and local authorities are escaping relatively unscathed in terms of revenue, job losses, wage levels (plus the thorny problem of index-linked pen-sions). Wages, redundancy pay and price levels in public services continue to be at a much higher level than in private industry; there is also less job security in industry and the relatively huge increase in unemployment compared with the public sector is evidence of this. The workers in private of the battle and there is little
> doubt also that many of those
> who voted for the present 20. Newgate Street, EC1.

Employment subsidies

From Mr E. Whiting Sir,—I find Samuel Brittan's article of July 16 most disappointing. It seems extraordinary that a market economist can support various kinds of selective employment subsidies which will inevitably distort the labour market. And those which he does support are chosen without any detailed analysis and without considering the evidence produced by the Manpower Services Commission in the light of its experience of many and various

His treatment of the job release scheme at the end of his article is not at all true or fair. (He calls it the "voluntary retirement scheme" at first, yet has taken generations of scientists and other scholars to later advocates that it should be possible to "obtain a form of retirement," which is not now available to people unemployed avanable to people unemployed under retirement age; although it was tried by the Manpower Services Commission in 1977.) His "reductio and absurdum argument against the job release scheme could be applied to many aspects of economics and finance with equally absurd results. What may happen at the extreme points is rarely a sensible guide to what happens in the middle, in the normal case. His example hypothesis of immediately making the 3m oldest workers retire is just about as valid a hypothesis as all holders of current accounts banks demanding withdrawal

of their money at the same time. Professor Layard's two pro-posals, which Samuel Brittan mentions, were previously reviewed by him in a Lombard

further distortion. Employers (especially small businesses) do not want, will not understand, and are not likely to support, any more complex schemes. Samuel Brittan does not give any details, but it would appear that the Walters scheme com-petes directly with the youth

be carried out, and claims to be made. We already "subsidise" low wage-earners by relieving employers and employees earning less than £27 per week of national insurance contributions. This threshold could easily be raised to say £30 or easily be raised to, say, £30 or £35 and the consequences investigated.

opportunities programme and

will require many more forms to be filled in, inspections to

On January 14 last year you published an article by Samuel Brittan entitled "A payroll regulator for unemployment," in which he advocated varying employers' national insurance contributions with forecast economic activity and employment. All that seems to have gone out of the window. Mone-tarist economists must now apparently eschew any fiscal measures of this kind. To compensate for the failure in practice of their theories they seem now to be turning their attention to detailed fire-fighting measures of which they must be among the least qualified to design. They are not experienced in micro-economics, in the behavioural reactions of employers or in administrative streamlining. The pursuit of so many ad hoc fragmentary measures could negate quite easily all that Sir Derek Rayner is reported to be saving with little long-term effect on employ-

Edwin Whiting. Manchester Business School.

GENERAL

. UK: Mrs Margaret Thatcher expected to announce first stage of package to help reduce un-

National Coal Board annual report.

Mr Geoffrey Chandler, director general, National Economic Development Office, speaks to Birmingham Chamber of Industry and Commerce.

Department of Education and documentary consultative paper— Education in England outside the Universities.

European Commission officials policy, Brussels.

Today's Events

and representatives of companies in Cumbria and Yorkshire sign House of Commons: Debate or contracts in London for loans under the European Coal and Steel Community Treaty. Advisory, Conciliation and

Time Out magazine wage parity BBC Television statement on

features autumn and winter. Overseas: , EEC

Ministers discuss joint fisheries

House of Commons; Debate on Opposition motion of no con-

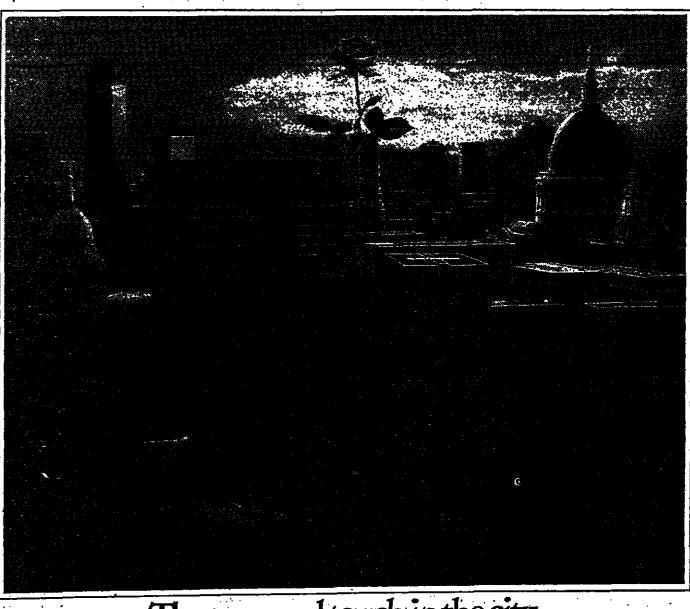
of Parliament

fidence in government economic and social policies. Armed Forces Bill, Lords amendments. Debate on British Gas Corporation (Disposal of Wytch Farm Oilfield interests). Coal industry orders. Procedural motion to permit the Lloyd's Bill to be carried over to the next session

House of Lords: Consolidated Fund Bill, all stages. Belize Bill, committee and remaining stages. Employment and Training Bill, report and third reading. Deep Sea Mining (Temporary Pro-vision) Bill, Commons amendments. Furniture Development Council Dissolution Order.

Committee. Energy. Select Subject: Energy conservation. Witnesses: Officials from Department of Energy and Department of Engironment. Room 6, 4.15

COMPANY MEETINGS See Week's Financial Diary on



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8m share offering by Far East trust

The prospectus is published 55 per cent of the portfolio today for an offer for subscription by Stockholders Far East liquid. Investments Inc., which will be incorporated in Panama and managed by the private invest-

ment group, John Govett. Underwriting was completed last week by stockbrokers Hoare, Govett for 8m shares of \$1 each at an offer price of \$2 per share. The board, which is headed by the Pacific Basin, it is somewhat Mr Mark Cornwall-Jones, have surprising that such little investbeen informed that applications wil be made for 6m shares which will be allotted in full. It is expected that the subscription list will open at 10 am on Friday and may be closed at any time

The trust has been construed as a company with an eight-year life with the opportunity to extend that life by a decision of he holders of more than half of the issued shares.
Govett calculates that it man-

thereafter.

ages funds in the Far East totalling about £50m. Its £88m Lake View Investment Trust is over 30 per cent invested in that area. The group also manages if, as is the inherent danger of Stockholders Pacific Fund (Ex- all specialist trusts, the Far East empt), an unauthorised trust for suddenly goes out of fashion. Re-pension funds and charities sort to that bolthole looks rather vhich was started in December 1978 with an initial issue price of £100 per unit. On June 23 this year, the total assets of the fund were £4,2m and the offered price of the units was £274 each. showing 46.5 per cent apprecia-Japan, as the world's second largest stock market with an the economic indicators are estimated capitalisation of generally pointing firmly in the \$410bn, will account for about right direction.

Sime's Japan Assets Trust next week. SFE will have a useful performance yardstick, and vice versa. Yet given the very evident growth of the economies in ment trust effort has been directed so far to the Far East. Less than 1 per cent of the sec tor is invested in specialist Japanese trusts, for instance, and both newcomers will be relatively small initially with limited general access to each issue. Perhaps it is better to hasten slowly. Even so, SFE is taking a cautious approach with a flotation structure which follows that of Govett's Energy Resources and Services. The offshore base provides neutral registration for non-UK investors, who are sub-scribing for half the \$16m issue, and the capacity to buy in shares unlikely in the foreseeable future— the trusts which are established in the Far East are trading close to asset value, the Tokyo Stock Exchange Index was tion in the year to June 30 and

Deacon doubles its size with U.S. acquisition

Industrial Group. Industrial Group, a become a company controlled of Deacon. jointly by Mr Andrew Deacon, a former director of County Bank. and Mr Phil Harris of Harris Queensway, has completed a U.S. acquisition doubling its size and putting it further along the additional term loan facilities.

road towards a stock exchange Mr Deacon said at the week

Deacon Industrial has acquired the stock and assets of the plastics ' mechinery - division Beloit Corporation of the U.S. The total cost of the project—including purchase price, a new factory in Massachusetts and additional working capital—is put around \$7m. Sales of the

purchased Austin Allen, an Essex-based manufacturer Essex-based manufacturer of injection moulding machines for £305,000 in cash. Austin Allen exports around 30 per cent of

To part finance these acquisi-tions County Bank and McLeod Russell, a UK quoted tea plantation and industrial group, have acquired respectively 10 and 20 per cent equity stakes by the purchase of 85,714 new conpreferred ordinary total of £925.000. A. J. W. Campbell, managings, director of McLeod, has Louverdrape vertical blinds.

Part of the cost of purchase has been covered by a local U.S. loan of \$2.2m at an average interest rate of 8 per cent. County Bank has also provided

Mr Deacon said at the week end that following the U.S. buy, timed when the exchange rate was still \$2.16, over half the group's business is in America. With a direct U.S. presence be hopes to increase the exports of the three UK machinery companies within the group.

In the first year of operation to new operation are running at some 55m a year.

Deacon Industrial has also the year ending next May it is hoped that profits could double to

Mr Deacon hopes to bring the group to the market, probably by way of a full listing either early in 1983 or early 1984.

BESTOBELL SELLS

Bestobeli, the controls, energy engineering, aviation and consumer products group, has sold its subsidiary Bestobell Home manufacturer which manufactures

comment With the launch of Ivory and

The debut tomorrow on the Unlisted Securities Market of video game machines, is likely to attract more than the usual market interest in such events.

Unlike most USM companies so far, Subelectro has had a dif- year of 154p. ficult reception. Press comment has been unfavourable and the market was willing to take only 11 per cent of the 5.4m shares in the placing by Tring Hall Securities, compared to the more customary 25 per cent.

The problem is that Subelectro is coming to the market at a time when the market for games such as Space Invaders and the Galaxians, which grew at a dizzying rate last year, is suddealy contracting sharply.

This decline has already been reflected in the profits and share prices of companies involved in the video games business. Associated Leisure, which operates 5,500 machines, recently reported profits down 13 per cent to £4.6m in the year to March Its shares have fallen from a peak, early this year, of 148p to 117p, close to its low for the

Westminster

Property up

to £182,000

IN THE half year to March 31

1981 Westminster Property Group made improved net profits of £182,000—compared with £154,523 — after interest pay-ments down from £213,113 to

£100,000. Again there was no tax A portfolio of 12 UK properties

valued at £4.07m was acquired

from Graylaw Holdings on April

23. The major portion of the

consideration was satisfied by the

issue of shares and the balance by the assumption of develop-

In Portugal negotiations are at

an advanced stage for sale of an office building in Lisbon but a

contract has not yet been signed.

Without the sale of the Lisbon

building a loss has been incurred

in Portugal wholly arising from

bank interest payable—which during the period of develop-ment had been capitalised—of some £160,000 in the six months

W. Bromwich

Spring passes

final payment

PRE-TAX profits of the West Bromwich Spring Company for 1980 fell from £491.298 to £21.561.

Turnover slipped from £4.06m to

At half-time pre-tax profits had been £220,000 compared with

£275,000 on turnover of £2.18m

took £10,000 (£216,000).

There will be no final dividend

(£2.07m).

The Empire strikes back

Management Agency and Music, which operates 1,500 Unitsted Securities market of machines, has reported interim video game machines, is likely profits ended January 31 down to attract more than the usual 26 per cent of £1m, and shares have fallen from a high last year. of 216p to a curpent low for the

IAN RODGER discusses the weakening of space invasion as . . .

Cope Allman International has 4,000 videos in the fields and although it has not reported figures since the boom collapsed last year, its shares too are nudging the year's low point at 41p.

Among the major operators. only Hawley Leisure, with 5,000 machines installed, is showing some profit and share price resilience. But Mr Michael Ashcroft, the chairman, agrees that the market is weakening. The operators cite a combina-tion of factors leading to the

decline. First, the novelty of the games has worn off. Players who have little talent for them-and they are games of skill-have given up, leaving only the afficionados who string out a 20p game for half an hour or more, get bored with games when they have mastered them. The average

America, the U.S. retail banking

subsidiary of National West-

minster Bank, announces net

income of US\$4.1m for the

second quarter of 1981 compared

with \$6.3m for the same period

stemmed from higher operating expenses, an increase in provi-

sion for loan losses, and lower income from bond trading.

ended June 30 1981 was \$7m compared with \$8.2m a year ago.

\$41.3m for the second quarter compared with \$37.2m last year,

1981, net interest income increased to \$80.7m from \$69.3m

up 16.4 per cent. Net interest

second quarter compared with

per cent compared with 3.78 per

\$9.2m in the second quarter from

cent a year ago. Other income

\$14.0m last year.

For the first half, it was 3.77

increased to

Burt Boulton setback

Burt Boulton Holdings reporting wood and sheet materials.

for the year to March 31 1981. 15 per cent to £28.59m.

\$7.4m a year ago and rose to of the toughest in the U.S., with \$16.5m in the first half from high costs and intense competi-

The increases came largely heavily in promotion and teller from higher service charges on automation to increase market loans and deposits, and a Visa

HEAVY LOSSES incurred by its due to a significant reduction in timber company have resulted in demand, particularly for soft-

substantially lower pre-tax profits over in this division fell by

222,710 on turnover down from has not yet picked up sufficiently

margin was 3.87 per cent for the

an increase of 10.9 per cent.

Net interest income was

For the six-month period in

Net income for the six months

The reduced level of earnings

of 1980.

NBNA earnings decline

the company, which has seen profits rise from £15,000 in 1978 from a year to three months, and operators have to scramble £1.2m last year, can continue to keep up. Meanwhile, the Gaming Board to thrive.

last winter raised the permitted level of stakes and payouts on fruit machines, making them more competitive with videos.

The net result is that takings have failen sharply, by as much as 50 per cent in the first half of this year, according to one operator. It is generally expected that the UK population of videos, estimated at something around 120,000, will actually decline to about 100,000 over the next few months as brewers re-

duce the numbers in their pubs. All the operators are trying to avoid buying new machines, resorting instead to shifting from site to site, 5.4m shares, 36 per cent of those in issue, in the placing. cannibalising old games and con-

verting where possible. Despite the current confusion, the operators are confident that videos will retain a place in the mix of amusement machines.

or runus.

If a promising venture was found, he would be happy to underwrite any fund raising for the company. Subelectro, which claims to be thus reducing the take. They also the largest UK video manufacter of the take they be they mastered them. The average useful life of a game has fallen the substitution of the trends in the market; but Mr D. W. F. Tulloch, chairman, is confident

Operating expenses increased

to \$42.6m in the second quarter

from \$36.0m in 1980 and to

\$83.9m in the first half from

periods resulted from higher

salary and benefit costs, increased

business development expense,

and continued expenditures for

en on-line system and automated

Total assets at June 30- 1981,

were \$5.8bn compared with \$5.5bn 12 months before.

Deposits were \$4.7bn compared

\$3.4bn compared with \$3.2bn and equity capital was \$298m

with \$4.3bn. Total loans were

Our New York Staff writes:

Most U.S. banks have reported

lower profits for the second quarter because of the volatility

operating costs. The retail banking environment in the New

centred, is considered to be one

tion. NBNA has been investing

Demand on the timber side

year. Priority is being given to minimise these losses but the

action needed may mean reduc-

tions in some trading areas. While this should benefit the company in future years, it will

not bring the timber company back into profit this year.

The final dividend is cut from 6.5p to 2p for a total halved to 5p. Dividends absorb £76,326

The majority of the group's

properties were revalued at March 31 1981 giving rise to a

surplus over net book value of £9.22m, which has been taken

On a CCA basis there was a

pre-tax loss of £1.39m.
Burt Boulton Holdings is a

company.

directly to reserves.

(£144,157) including waivers.

The extraordinary item relates the surplus arising on the sale of trade investments, £74,552, and properties, £45,760,

\$68.9m a year ago.

teller machines.

compared with \$288n

For one thing, he says, the

importers of copies of games

who were taking advantage of

the frothy market last year, have

all left allowing the remaining

suppliers to take bigger market

For another, he is trying to

new games. And finally, he

build up a substantial business

in converting existing machine

is developing a video fruit machine that he hopes will bring

the company into the mainstream

of the amusement game business.

the sole shareholders of Subelectro and they have realised £2.9m from selling the

None of the proceeds is going

into the company, but Mr Tulloch argues that it has a strong balance sheet and no need

Mr Tulloch and his wife are

cardholder fee implemented on dates of board meetings to the stock Exchangs. Such meetings are usually held for the purpose of considering dividends. Official indications are not aveilable as to whether dividends are interims or finals and the subdivisions shown below are besed mainly on lest

FUTURE DATES		.
Banro Consolidated		
Associated Tooling	Aug.	6
HillerdsLongton Industrial		37
	•	

FT Share Information

The following securities have been added to the Share Information Service: Piezo Electric Products (Sec-

Gas). Weir Group 10 per cent Cnv. Pref. (Engineering).

Stylus Company slumped from £180,562 to £31,820 in the year to March 31, 1981, on turnover up from £1.97m to £2.19m.

SPAIN			
		· J	uly 24
	81		Price
High	Low		%
344	251	Banco Bilbao	344
375	280	Banco Central	375
370	229	Banco Exterior	370
318	239	Benco Hispano	315
128	120	Banco Ind. Cot	121
390	284	Banco Santandar	390
228	148	Banco Urquijo	226
377	263	D M	374
252	204	Banco Vizcaya Banco Zaragoza	243
212	82	Dragados	207
85	45	Espanola Zinc	82
68	55.5		
52.5	22		68
77	63 5	Gal. Preciados Hidrola	_52
			76.2
62.5	52	Iborduoro	57.5 }
128	70	Potroleos	121
.96	70	Petroliber	90 [
102	59	Sogelisa	_ 59
78.7	67	Telefonica	77.5
74 7	60	Union Elect	74.7

BOARD MEETINGS

TODAY Interims: Bank Leumi (UK), C.S.C. Investment Trust, Nottingham Manufacturing, Temple Bar Investment Trust. Finals: A.A.H., Aeronautical and General Instruments, Ellis and Everard, Macarthya Pharmacauticals, Midland Trust, Stirring Knitting, F. H. Tomkins,

Interims— Banno Consolidated	Aug. 28 Aug. 6 Aug. 5 July 28

tion: Electricals). Summask Petroleum Corporation (Oil and

Diamond Stylus Pre-tax profits of Diamond

The directors of this manufac-turer and distributor of diamond for the year. Last year a final of 0.595p net per 10p share was paid making a total of 0.8913p. The earnings per share are stated 0.89p (5.18p).

1						- 7	
£900's			Change	Gross	Meir		Fully
capitalisati	on Company	Price	ou Mesi	cuiv,(a	1-76	ACTUR	TEXES.
1.094	ABI Hidgs 10pc CULS	. 110	+,2	10.0-	9.1	· —	
3.821	Airsorung	66:	· — ·	4.7	7.1	- 10.5.	14.5
1,125	Armitana and Rhadas	. 45	1 .	. 1.4	3.1	18.5	42.9 "
12,098	Bardon Hill	198		9.7	4.9	9.6	11.7
7,847	Deborah Services	102	-+·2·	5.5	5.4	5.0	9.6
3,712	Frank Horsell	99	+ 2. '	6.4	6.5.	8.9	21.5
9,390	Frederick Parker	, 66 .		1.7	2.6	28.3	
1,181	George Blair	64	-	.3.1	4,8		
2.758	Jackson Group	106	. - - 3 ⋅	7.0	6.4	.s. 3.4	-J.J.
17,804	James Burrough	729		8.7	9./	· 9,4	11.6
3,060	Robert Jenkins	300x	d - 13	31.3	10.4	4.2	70.6
2,880	Scruttons "A"	58 .	· . —	5.3	· <u>9.1</u> :	8.9	8.3
. 2,954	Tarday	192	- 1	15.1	7.8	7.4	12.7
3,205	Twinlock Org	-15-			~		-
2,129	Twinlock 15pc ULS			15.0	19.2	· 457	_
5,798	Unilock Holdings	38 -	- 2,	3.0	7.9	_ 6.8 .	11.5
12,526	Walter Alexander	99		57	5.8	5.5	8.7
5,694	W. S. Yeates	244	- 2	13.1	. 5.4	4.8	9-4
					. 4 + 1 -	<u> </u>	
							. ـ
-							— :

FINANCE FOR INDUSTRY TERM DEPOSITS.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly-Rates for deposits received not later than 31/7/81

Terms (years) INTEREST % 131 131 131 131 14 Industry Limited, 91 Waterloo Rd., London SRI 8XP (01-928 7822, Ext. 367)

Cheques payable to "Bank of England, a/cFFI" FFI is the holding company for ICFC and PCL

NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only. The Debentures were offered and sold outside the United States of America.

JULY 1981

The figure is down from £1.1m to

The timber company's net loss

was £865,000 and this was mainly

Texas General Resources International N.V.

U.S. \$12,000,000

10120 Convertible Subordinated Debentures due 1996

Convertible into Common Stock of and Guaranteed on a Subordinated Basis as to Payment of Principal, Premium (if any) and Interest by

Texas General Resources. (Incorporated under the laws of the State of Texas, United States of America)

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Al-Mal Group Citicorp International Group

Banca del Gottardo **Drexel Burnham Lambert**

Handelsbank N.W. (Overseas) Limited

Alahli Bank of Kuwait K.S.C. Amro International Limited Arnhold and S. Bleichroeder, Inc. Bache Halsey Stuart Shields Incorporated Bear, Stearns & Co. Bank Leu International Ltd. Banque Bruxelles Lambert S.A. Banque de Neuflize, Schlumberger Mallet Banque de l'Union Européenne Banque Worms Chase Manhattan Limited Crédit Commercial de France Daiwa Europe Limited Richard Daus & Co. Bankiers Dillon, Read Overseas Corporation Euromobiliare S.p.A. Hambros Bank Limited Kredietbank N.V.

Kuhn Locb Lehman Brothers

International, Inc.

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Investment Co. s.a.k. Lazard Brothers & Co., Limited McLeod Young Weir International Limited L. Messel & Co. Samuel Montagu & Co. Limited The Nikko Securities Co., (Europe) Ltd. Sal. Oppenheim jr. & Cie. Peterbroeck, van Campenhout & Cie. S.C.S. Pierson, Heldring & Pierson N.V. Société Générale de Banque S.A. Shearson Loeb Rhoades International Limited Smith Barney, Harris Upham & Co. Incorporated Strauss, Turnbull & Co. Sumitomo Finance International Vereins- und Westbank Aktiengesellschaft M. M. Warburg-Brinckmann, Wirtz & Co. Wardley Limited **Wood Gundy Limited**

The undersigned assisted in the arrangement of this transaction:

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July 1981



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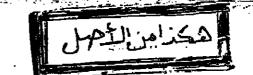
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INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

BY PETER MONTAGNON

Haunted by the ghost of Ottawa

U.S. FEDERAL FUNDS

RATE

INVESTORS and traders in all sectors of the international bond markets remain fixated by the spectre of high short-term interest rates and prepared to ignore fundamental economic developments that would normally breathe new life into bonds.

Companies and Markets

News that the U.S. economy had moved into sharp decline in the second quarter and that inflation had fallen by almost four points failed to shake the markets free of this obsession.

If anything it was encouraged by the hard line on interest rates faken by President Reagan at the Ottawa summit and the determination expressed to Congress by Mr Paul Volcker, Chairman of the Federal Reserve, that money supply

The money markets anyway proved the pessimists' point. Eurodollar interest rates moved up during the week-six months parcel." deposits gaining point to

1981 would be kept on a tight rein. but trade among themselves, an unnamed Canadian bank and shuffling bonds around the one of \$150m for the European market at dwindling prices. "It was." said one experienced dealer. "like playing pass the

Fixed rate Eurodollar bonds with a \$60m, seven-year openclose at 181 per cent. shed 11 points on average Faced with this there was during the week as a whole, and shed 12 points on average priced issue for Pacific Gas and during the week as a whole, and Electricity, bearing an indicated little Eurobond dealers could do two prospective issues, one for coupon of 16 per cent.

Webber and Kidder Peabody names. intend to do the same with a \$30m. five-year issue for Public market are peculiarly stubborn —some would say irrational shire. The issue bears an in preferring one type of indicated coupon of 17 per cent, the highest ever paid in the Eurobond market.

Like the Arizona Public Services issue due 1988, which was priced last week at 984 and traded on Friday at around 99, these issues have some special appeal for Swiss and other continental investors. They are attracted by the strength of the dollar and are keen to diversify their holdings of bonds into U.S. names, especially when the yield is high.

Non-U.S. issues have less appeal at present, least of all when, as is the case with Hydro Quebec, higher yields are offered in the New York market.

Selectivity is also the watchword in the Swiss franc market where the coupon on the Cie Française des Petroles SwFr 100m issue was raised by 1 point to 71 as investors began to shy

Today Blyth Eastman Paine away from even the best French

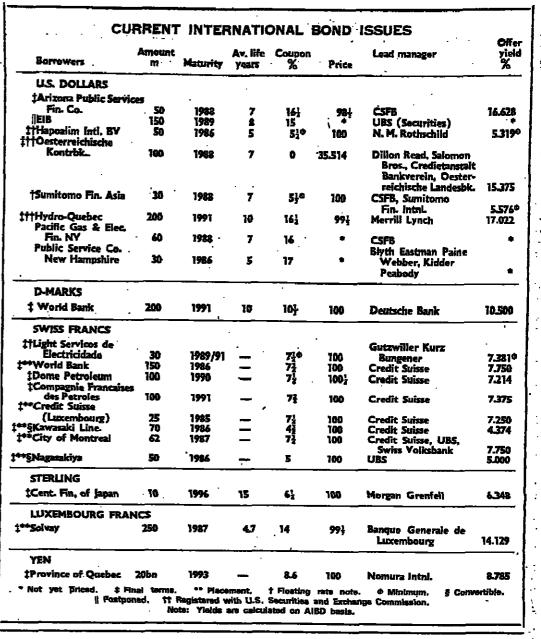
By tradition investors in this borrower over another, Nafinsa. Mexico's state financing agency, is expected to pay a substantial premium over market rates for its forthcoming SwFr 100m issue. Bankers say the yield is

likely to be around 81 per cent.

For the time being little general movement in Swiss rates is expected, however. If U.S. rates do come down in the months ahead, inflation in Switzerland now leaves relatively little room for a drop in local rates. Much the same holds true of Germany where bankers hold out little hope of budget cuts easing the burden of government financing on the capital markets.

Few people believe rates in either hond market will go much higher but there is little incentive for investors to put new money into long-term paper. D-Mark issues shed a point on the week and Swiss Franc issues # points.

Nontheless the World Bank's DM 200m issue sold out very quickly and trading on Friday was marked by a pick-up in demand for domestic issues which currently yield about a point more than foreign bonds.



CREDITS

 $\mathcal{Y}_{\mathcal{A}}$

BY PETER MONTAGNON

Venezuela moves on short-term debt

6-Month EURODOLLAR RATE

VENEZUELA IS making con- market for one \$750m to \$1bn abandoned hope of raising always free to sell the paper in siderable progress with the passage of legislation designed to allow it to resume mediumterm borrowing on the Eurocredit market.

Bankers who follow the country closely say that the draft law which will embody the borrowing authorisation has been adopted by the key Finance Committee of Congress. It is now expected to pass the full Congress before the current session ends in early August.

The amount of short-term borrowing notched up by Venezuelan State agencies (whose ability to borrow at longer term has hitherto been restricted by law) is now put at some \$14bn, roughly \$5bn

more than previously estimated. The Public Credit Law is intended to make the agencies less dependent on these short-term -ducive to generous terms in the years on CD issues in London loans, but only a small fraction Euromarket. Already state of the total is expected to be refinanced at medium-term in | per cent or more just for one-

Bankers say they expect Venezuela to come to the railways seem finally to have any one time. Lenders are

credit later this year and two further deals of similar size in

This in itself will be a major step forward from the chaotic situation that has prevailed in the past where the markets have been deluged with one-year loans from state agencies, sometimes with several being sold at

But the passage of the law, if indeed it does occur, will come at a slightly unfortunate time as the price of oil, on which Venezuela's balance of payments is heavily dependent, is soft. There has also been a large outflow of currency from Venezuela as local interest rates are being held well below international levels.

agencies are paying margins of year money.

In Europe meanwhile Italian

\$500m through Dillon Read for the time being and Bank of Montreal together with Citicorp have taken up the cudgels, presenting an offer for a similar amount to the electric utility ENEL. Terms as yet are

undisclosed.

Investment Bank, were with-

did brave the market on Friday

But Credit Suisse First Boston

Besides the latest \$200m credit for Gaz de France, which was announced on predictably fine terms at the start of last week, France's private sector bank CCF is raising \$60m in an unusual CD-related deal led by Credit Suisse First Boston.

Signatories to the deal will undertake to buy a total of \$60m in three and six months fixed rate Certificates of Deposit issued by CCF during the next seven years. The operation gets These factors are hardly con- round the normal limit of five and allows borrower and lenders considerable flexibility. CCF knows that it will always have the money available but

need not issue the full \$60m at

the marketplace.

Spain's oil exploration concern ENIEPSA has awarded a \$35m, seven-year mandate for a club loan to Chase Manhattan and Fuji Bank. Although small. competition for this loan was intense and it has resulted, once again, in very low margins.

The borrower is paying only per cent for the first three years, rising thereafter to 1 per

This confirms that despite recent doubts on the trend for Spanish margins, the countrywhich offers lucrative domestic banking opportunities to Eurobanks—has retained its appeal.

U.S. INTEREST	RATES (%)
	Week to July 24	
Fed funds wkly avgs	19,94	
3-month Treas, bills	15.06	14.34
3-month CD	18.15	17.55
30-year Treas, bond	13.72	
AAA utility	16.00	15.75
AA industrial	15.13	15.00
Sources: Salomon	Bros.	nd First
Boston.		

U.S. BONDS

BY DAVID LASCELLES

Firmer tone as money supply falls

THE SHARP drop in the money supply announced on Friday seemed to confirm that the premarket seemed like a bottomless pit in which bond prices vious week's upsetting surge was technical blip with no lasting significance. This helped the market close the week on an upbeat note which could set a firmer tone for trading this

The most widely-watched measure, M1-B fell by \$5.9bn to \$428.9bn, almost completely offsetting the previous week's \$6.9bn rise. This drop was considerably more than the \$2.4bn fall Wall Street had been hoping for, and it puts the growth of M1-B back well below the Fed's target growth ranges for the second half of the year. But even though traders left for the weekend with greater

peace of mind, it was still a

prefer to forget.

week most of them would

plummetted to near-record lows. Short-term interest rates also soared in sympathy with the Fed funds rate which was pushed by a scarcity of funds into the 20 per cent plus range. The Fed did supply reserves to ease some of the pressure, but not enough to spur any great confidence. The 1.9 per cent drop in second quarter GNP announced on Wednesday should have provided some encouragement. specially since it showed inflation running at six per cent. But the market was not in a mood for good news.

The panic eased in the second half of the week, and by Friday most market participants were bullish once again in anticipation of better money supply an acceleration in the growth of and a new 30-year bond.

For the first three days, the figures, Some bonds gained a the money supply this year couple of points that day, and without endangering it targets, eased.

The drama coincided with Mr Paul Volcker's mid-year Federal Reserve report to Congress in which be announced further reductions in the money supply growth targets, warning that while inflation had improved he was not yet convinced that the corner had been turned. Although his mesage was widely interpreted as signalling a policy, this was not how everyone read it. With the money supply already running well below target, the Fed has room to harden up its goals without

necessarily pushing up interest

short-term rates generally though the Fed's super-cautious approach makes this unlikely. Despite Fridays' recovery, the

prospects for a rally are remote so long as the market remains hobbled by an inverted yield curve and the resulting negative cost of carry. The record yield spreads between quality and other securities also suggest investors are taking shelter in sure bets. Demand for shortfurther tightening in monetary term credit, meanwhile remains very strong. The major event this week

will be the announcement on Wednesday of details of the treasury's new quarterly refunding. Expectations are of a rates. Some analysts even \$8.9bn operation consisting of believe the Fed could encourage short, and medium-term notes,

Wood Gundy

FT INTERNATIONAL BOND SERVICE

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CIBC 144, 84:	135	961	985	+0-	-14	16.16
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Ford Cr. O/S Fin. 18 85	150	971	97%	+0-	~ O'2	16.94
Gaz de France 1312 85	80	922-	93	Ö	-15	15.80
GMAC 0/S Fin. 127, 88	100	881	883	+04	-212	15.76
SMAC O/S Fin. 143 87	100	95	951,	+04	-15	16.03
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EIB 14 38 FFr	300		-04 17.35
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OKB 14 86 FFr	400		~0'\ 16.90
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BNP 13-2 91 £	76	862 867 - 03	-7 16.34
CECA 131 88 £	20	887, 885, +05	
Citicorp O/S 132 SD £	50 50	921 931 -01	-04 14.98
Fin. Ex. Cred. 134 86 £	15	811, 921, 0	
Gen, Elec. Co. 1212 89 £	50	864, 874 +04	
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Euratom 94 88 LaxFr	500		-1 13.73
Eurofima 10°2 87 Luxfr	500		0 12.77
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BBL Int. 5 86					18.31	
BNP 5-2 88					16.44	
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Citicorp O/S Fm. 84	io -	99	991	29/7	18.69	18.83
C. Itoh 54 87		98%	,99 ¹	18/9	18.69 15,44	15.61
Co-operative Bk. 8-36:		995	100	15/11	19.56	19.81
Den Norske Credit 8 90	#0°#	9814	. 984	5/8	17.31	17,58
Gerffnance 54 87					16,94	
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Ind. Bank Japan 54 88	ᅋ					16,62
Lloyds Eurofin 8'90 E				6/1		13.59
Lloyda Eurofin 54 32	.04			13/12	17,44	
LTCB Japan 54 85	.U%				19.06	17.36
Merrill Lynch O/S 87					20.44	
					173	
Midland Int. Fin. 54 92					18.81	17.64 17.09
Midland Int. Fin. 9 81					17%	17.00
						16.34
Nacional Fin. 57 88					14% 742,	14.80
Nat. Bk. Canada 54 88	1944 CO1					
Nat. West 54 94	an.e.	317			16.19	
Nat. West. Fin. 57, 91				15/1		18.40
Nat. West. Fin. 5% 92					18.81	
Pemex 6 91 Sparebanken 6 87	0.5				15.31	
Sparepanken 6 8/	UK.				18,81	
Standard Chart. 54 90						
Svenske Hndiebk. 5.87				15/1		18.24
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Standard Chart. 54 90	40	98 7	391	3/9	17.08	17.23	
Svenske Hndisbk. 5.87							
Average price chan			-		_	-04	
CONVERTIBLE BONDS Ajinemoto 51, 98	Cnv.	Cnv.			Chg.		
BONDS	date	price	. Bid	Offer	day	Prem	
Ajinomoto 51, 98	. 7/81	_933 .	. 37°	967	, — 02°	5,66	
Bow Valley Inv. 8 95	4/81	23.12			+0%	8.33	
Canon 6 95					-0,	1.36	
Credit Suisse 44 93				81		-2.38	
Digicon Fin. 82 95	10/81	29.5			+14	7.51	
Fujitsu 572 96	7/81	732			+022		
Furukawa Elec. 5½ 96					-07	1.05	
Hanson O/S Fin. 94 96					+101*		
Hitachi Cred. Cpn. 5 98					-24		
ina Oversess 8% 2000		42			Ø.	4.11	
Inchesps 8 85	2/81	4.55			-14	8.60	
Marion Int. Fin. 9 85	12/80	15.5			-02		
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Matsushita El. 75 85	11/80	590			0.	3.78	
NKK 672 96	7/81	188			+0~		
Ricoh 😘 85 Junionium							
Sumitomo M. Ind. 7 85	2/81	181-			Org		
Swiss 8k. Cpn. 54 80	9/80	200			÷ 04		
Taylor Woodrow 81, 90	1/81	4.84			+σ,		
Fransco Int. 84 95 Fricorp 82 95	2/81	68			+0,		
Tricorp 82 951	12/803	1.28			-1		•
Jaion Bk. Switz. 5 89	2/807	10.79	75		0,		
Sharp Con. 62 88 DM .	9/80	595	13672	1997	+25 -	-0.96	
Iny Co. 64 85 DM1	11/798	79.3	112%	7135	-24 -	-2.89	
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EUROBOND	TURNOVER	
(nominal va	lue in \$m)	

	Cedel	clear
U.S. \$ bonds Last week Previous week	2,411.9 2,491.4	4,101.9 4,986.5
Other bonds Last week Previous week	677.0 494.3	573.8 282.3

* No information availableprevious day's price.

† Only one market maker supplied a price. STRAIGHT BONDS: The yield

is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier. FLOATING RATE NOTES:

Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective Spread=Margin above six-month offered rate (‡three-month; above mean rate) for U.S. dollars. C.cpn = The current C.yld = The current coupon. yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cav. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Per-centage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by:

Kredietbank NV; Credit Com-mercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA: Banque Internationale Luxembourg: Kredielbank Luxembourg: Algemene Bank Nederland NV: Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers, Bankers Trust International; Credit Com-mercial de France (Securities) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company, RBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank: IBJ International: Kidder Peabody International: Manufacturers Hanover; Merrill Lynch; Morgan Stanley International: Nikko Securities Company (Europe); Orion Royal Bank; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International: S. G. Warburg and Co.; Wood Gundy.

Closing prices on July 24

July 27, 1981

\$40,000,000

9% Convertible Subordinated Debentures due July 15, 1996

Northwest International Finance N.V.

Northwest International Finance B.V.

Convertible on any interest payment date through July 15, 1988 into 16½ % Subordinated Debentures due July 15, 1986 issued by Northwest International Finance N.V. and Northwest International Finance B.V. or, on or after the date described in the Offering Circular, into Common Stock of Northwest Energy Company

All Debentures are Unconditionally Guaranteed, on a Subordinated Basis, as to Payment of Principal, Premium, if any, and Interest by

Northwest Energy Company

Goldman Sachs International Corp. Banque de Paris et des Pays-Bas Deutsche Bank Aktiengesellschaft Robert Fleming & Co. Limited

> Morgan Grenfell & Co. Limited Swiss Bank Corporation International Limited Yamaichi International (Europe) Limited

Alahli Bank of Kuwait (K.S.C.) Algemene Bank Nederland N.V. A. E. Ames & Co. Arphold and S. Bleichroeder, Inc. Bache Halsey Stuart Shields Banca del Gottardo Bank Gutzwiller, Kurz, Bungener (Overseas) Rank Leu International Ltd. Bank of Tokyo International Banque Bruxelles Lambert S.A. Banque Française du Commerce Extérieur Banque Générale du Luxembourg S.A. Banque de l'Indochine et de Sues Banque Internationale à Loxemboure S.A. Banque Nationale de Paris Bunque de Neuffize, Schlumbergur, Mallet Banque de Paris et des Pays-Bas (Susse) S.A. Banque Worms Baring Brothers & Co., Bayerische Hypotheken- und Wechsel Bank Bayerische Vereinsbank Blyth Eastman Paine Webber Internatio Bergen Bank Christiania Bank og Kreditkasse Caisse des Dépôts et Consignations Compagnie de Banque et d'Investissements, CBI Crédit Agricole Continental Illinois County Bank Crédit Lyonsais Richard Daus & Co. Bankjers Dillon, Read Overseas Corporation Den nerske Credithank BG Bank Deutsche Grozentrale Girozentrale und Bank der Österreichischen Sparkassen European Banking Company Hambros Bank Aktisepseisessi Handelsbank N.W. (Overseas) Hill Samuel & Co. Kansallis-Osake-Pankki Japan International Bank Kidder, Peabody International Kleinwort, Benson Kuhn Loeb Lehman Brothers International, Inc. Kowait Fereign Trading Contracting & Investment Co. (S.A.K.) Lloyds Bank International Lazard Frères et Ge Manufacturers Hanover LTCB International Mergan Guaranty Ltd Morgan Stanley International National Bank of Abu Dhabi Merrill Lynch International & Co. Nederlandse Crediethank R.V. The Nikko Securities Co., (Europe) Ltd. aldezische Landeshank Rabobank Nederland Sal. Oppenheim ir. & Cie. Orion Royal Bank Pierson, Heldring & Pierson N.V. Rothschild Bank AG N. M. Rothschild & Sons J. Henry Schroder Wagg & Co. Smith Barney, Harris Upham & Co. Singer & Friedlander Shearson Loeb Rhoades Skandinaviska Enskilda Banken Société Générale de Benque S.A. Société Générale Svenska Handekhanker Union Bank of Switzerland (Securities) Vereins- and Westbank Verband Schweizenscher Kanio S. G. Warburg & Co. Ltd. J. Vantobel & Co.

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A copy of this Prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies in London for registration.

Application has been made to the Council of The Stock Exchange for admission to the Official List of the Shares of US\$1 each of Stockholders Far East Investments Incorporated ("SFE") now being leated. This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to SFE. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects.

and that there are no other material facts the ommission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly. No person receiving a copy of this Prospectus and/or an Application Form in any tenitory other than the United Kingdom may treat the same as constituting an invitation to him, nor should be in any event use such Application Form in any tenitory other than the United Kingdom may treat the same as constituting an invitation to him, nor should be in any event use such Application Form in any tenitory other than the United Kingdom may treat the same as constituting an invitation to him, nor should be in any event use such as a constitution of the constitution of t made to him and such Form could lawfully be used without compliance with any registration or other legal requirements, it is the responsibility of any person outside the United Kingdom wishing to make strapplication hereunder to satisfy himself as to full observance of the laws of the releasest that releases to him and such Form could lawfully be used without compliance with any registration or other legal requirements, it is the responsibility of any person outside the United Kingdom wishing to make strapplication hereunder to satisfy himself as to full observance of the laws of the releasest to him and such Form could lawfully be used without compliance with any registration or other legal requirements, it is the responsibility of any person outside the United Kingdom wishing to make strapplication hereunder to satisfy himself as to full observance of the laws of the releasest to full observance of the laws of the releasest to full observance of the laws of the releasest to full observance of the laws of the releasest to full observance of the laws of the releasest to full observance of the

The Subscription List for the 8,000,000 Shares now being offered will open at 10 a.m. on 31 st July, 1981 and may be closed at any time thereafter.

The procedure for application is set out at the end of this Prospectus.

Offer for Subscription

STOCKHOLDERS FAR EAST INVESTMENTS INCORPORATED

of 8,000,000 Shares of US \$1 each for subscription at US\$2 per share, or at 110p per share to satisfy in full an issue price of US\$2 per share, payable in full on application

Authorised US\$10,000.000

ARTHUR SIMON NICHOLSON (British)

High Trees, Batchworth Hill.

Rickmansworth,

Hertfordshire WD3 1JP.

DATO TIEN KUANG WEN (Malaysian)

33a Jalan Balau,

Damansara Heights,

Kuala Lumpur.

NIGEL MAURICE JOHNSON-HILL

(Secretary) (British)

14b Tai Tam Road.

Stanley,

Hong Kong.

Share Capital in 10.000.000 Shares of US \$1 each

to be issued (fully paid)

US\$ 8,000,000

Such Shares will upon issue tank in full for all dividends and other distributions hereafter declared, made or paid on the share capital of SFE. The Directors of SFE have been informed that applications will be made for 6,000,000 Shares by clients of John Govett & Co. Limited and of Hoars Govett Limited, the brokers to the issue, which will be allotted in full. The balance of the issue has been underwrited.

INDEBTEDNESS but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances SFE has no loan capital (including term loans) outstanding or

ments, or guarantees or other material contingent liabilities. or acceptance credits, hire purchase comm

Directors MARK RALPH CORNWALL-JONES (President) (British) Erin House, 3 Albert Bridge Road, London SW11 4PX

LENG CHAN QUEK (Malaysian) 1, Jalan Ampang Hilir, Kuala Lumpur.

WILLIAM JOHN ROMAINE GOVETT ·(British) 50 Cheisea Square, London SW3 6LH.

PETER ALAN LEE VINE (British) 30 Po Shan Road, Hong Kong.

Managers John Govert & Co. (Far East) Limited, 8th Floor, Printing House, 6 Duddell Street, Hong Kong. **Auditors and Reporting Accountants**

COOPERS & LYBRAND, Sheli House. Queen's Road Central, Hong Kong. **Investment Advisers**

Winchester House, 77 London Wall, London EC2N 1DH. Stockbrokers HOARE GOVETT LIMITED Heron House,

JOHN GOVETT & CO. LIMITED,

319-325 High Holborn, London WC1V 7PB.

CITIBANK, N.A., Citibank Tower, 8 Queen's Road Central. Hong Kong.

Receiving Bankers
NATIONAL WESTMINSTER BANK LIMITED New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD.

Registrars and Transfer Office NATIONAL WESTMINSTER GUERNSEY TRUST COMPANY LIMITED, 35 High Street, St. Peter Port, Guernsey, Channel Islands.

Legal Advisers In England LINKLATERS & PAINES Barrington House, 59/67 Gresham Street London EC2V7JA

In Hong Kong LINKLATERS & PAINES, 6th Floor, Swire House, Hong Kong.

In Panama Arosemena, noriega & Castro. Banco do Brasil Building, Elvira Mendez Street 10, Panama, Republic of Panama.

SFE, which is incorporated in Panama, has been formed under the auspices of John Govett & Co. Limited ("John Govett") with the intention of providing investors with a vehicle for portfolio investment in the Far East, As described below under "Investment Policy", a major part of the company's funds will be invested in Japan, but it is anticipated that there will be significant investment in Hong Kong, Malaysia, Singapore and also Austrelia. The balance of investment between these several countries, as well as elsewhere in the Pacific area, may vary from time to time. Emphasis will be on capital growth, and

ridend yield is expected to be relatively low. SFE has been constructed as a company with an eight-year life with the opportunity to extend The By-laws of SFE therefore provide that it will be dissolved after eight years unless at a General Meeting of SFE held at that time it is resolved to continue for a further three years. Similar provisions for dissolution come into effect at each three-yearly interval after the first and any subsequent decision to continue SFE. On dissolution it is intended that amounts equal in aggregate to nat asset value less n expenses will be distributed to Shareholders.

The Directors of SFE believe that these provisions and the power of SFE to purchase its own Shares in the market (both described in more detail under "Duration of SFE" and "Purchase of Shares to be held in Treasury" below) will assist in minimising or eliminating the discount to net asset value which is a mon feature of the market value of the shares of many closed-end investment companies.

M. R. Comwall-Jones, aged 48, is Deputy Chairman of John Govett and has been an investment manager since 1959. He is a Director of Halifax Building Society, Courage Limited and Crusader Insurance Company Limited and was a Deputy Chairman of The Association of Investment Trust Companies between 1977 and 1979.

W. J. R. Govett, aged 43, has been Chairman of John Govett since 1976 and has been an investment manager for 20 years. He is a Director of Legal & General Group Limited and a number of listed invest-

Nicholson, aged 38, is an investment manager and has been a Director of John Govett since 1978. His investment responsibilities include the management of the For East portfolios of the four investment trust companies and Stockholders Pacific Fund (Exempt) managed by John Govett.

N. M. Johnson-Hill, aged 35, is a principal of Hoare Govett Limited, and has been Managing

Director of Hogre Govett (Far East) Limited in Hong Kong since June 1979. He worked as a foreign staff Director of Hoars Govert (Far East) Limited in Hong since Julie 1973. He worked as a foreign staff executive for The Hongkong and Shanghai Banking Corporation between 1973 and 1973, then served as an overseas representative for W. I. Carr Sons & Co. between 1973 and 1978.

L. C. Quek, aged 38, is a barrister and Chairman of Hong Leong Credit Berhad, and Vice Chairman of

Hong Leong industries Berhad, which are companies listed on the Malaysian and Singapore Stock Exchanges. He is also a Director of Hong Leong Finance Limited, a company listed on the Singapore Stock Exchange, and Deputy Chairman of Manson Finance Trust Limited, a company listed on The P. A. L. Vine, aged 59, has practiced as a solicitor in Hong Kong since 1947, and is a Director of a

number of listed and unlisted Hong Kong companies, including Investment companies.

Dato T. K. Wen, aged 57, is Chairman of Selangor Properties Limited, a company listed on the Maleysian and Singapore Stock Exchanges.

SFE has, under an agreement with John Govett & Co. (Far East) Limited ("Management"), datails of which are set out in paragraph 2 (i) of Appendix 2 (the "Management Agreement"), delegated the day to day management of its affairs and the provision of administrative and accounting services to Management. ment, a subsidiary of John Govett incorporated with limited liability in Hong Kong. Manager turn agreed that a substantial part of the services to be provided to it under the Management Agreement will be carried out by Hoare Govett (Fer East) Limited, a wholly-owned subsidiary of Hoare Govett Limited incorporated in Hong Kong. Hoare Govett (Far East) Limited has in turn appointed John Govett to provide certain accounting services to it in relation to the affairs of SFE.

SFE has, under an agreement with Management and John Govett, details of which are set out in paragraph 2 (ii) of Apparagraph 2 (ii) of Apparagraph 2 (iii) of App Appendix 2, arranged that the funds which it will hold for investment will receive the ment advisory experience in the Pacific area of John Govett.

John Govett, a private company incorporated in England, operates as investment managers and advisers in the United Kingdom and manages four listed investment trust companies, five unit trusts and per of pension funds and private client accounts with total sums under management of over £450 million. Most of these funds have a wide geographical spread of investments,

John Govett's involvement in the Far East has grown from its earlier interests in the Australian mining industry and during the last ten years several funds under management have invested increasing proportions of their assets more widely in the Far East. In particular one of these funds, Lake Visu porturing of until reasons including the first of the control of t unsuthorised unit trust for pension funds and charities which was started in December 1979 with an initial issue price of £100 per unit. On 23rd June, 1981, the total assets of the fund were £4.2 million and

the offered price of its units was £274 per unit. INVESTMENT BACKGROUND

The Pacific area is one of the world's most populous regions and is rich in natural resources. Led by Japan, the region has enjoyed a period of rapid and sustained economic growth over the last 25 years. ision with the Western economies has been complemented by increasing trade within the region. Not only in Japan, but also in other countries in the area, there now exist the industrie managerial skills to compete effectively and to adapt quickly to changes in the world economy. While the current political and economic changes in China may take time to develop, their impact on the economy of the region is likely to be significant and positive.

The opportunities for portfolio investors in the region vary from country to country depending in part on the local conditions covering foreign investment. The largest stock market open to foreign Tokyo but thriving markets, more limited in size, exist in Singapore, Malaysia, Hong Kong and Australia. While declining in number there are also important foreign-registered company based in the U.K., with substantial Far East involvement in the general trading, mining and plantation

The principal geographical areas for proposed investment are discussed below.

The Japanese economy is now the second largest in the free world. This position has been achieved by sustained investment in plant and equipment, a high personal savings rate, and a hard working well educated labour force operating in an environment of social and political stability. During the ten years prior to the oil crisis of 1973/74 G.N.P. graw at approximately 10 per cent, per annum in real terms and the strength and resilience of the Japanese economy has been clearly illustrated by its reaction to that first oil crisis: since then, despite a reliance on imports for over 85 per cent. of energy and despite further oil price rises, the economy has continued to move forward at approximately 5 per cent. per annum in real terms. A similar rate of growth is forecast for the current year, and this rate is expected to compare favourably with that of Europe and of North America. Aided by government expenditure, growing consumer confidence should provide much of the impetus. With the isse in the consumer price index being held to 6½ per cent, in the year to March 1981 and the annual wage agreements this spring being held to an overall increase of approximately 7½ per cent., It is felt that the level of the government domestic borrowing requirement should not place undue strains on the economy.

The production of the control of the

Foreign investment in Japanese quoted equities rose from an estimated 3 per cent. in 1979 to an estimated 4.6 per cent. of the total equity market capitalisation of U.S. \$380 billion at 31st December, 1980 (by way of comparison this capitalisation is approximately 30 per cent. of the combined value of the ading American exchanges), and this has had a significant effect on the stock market. While there have been restrictions on the permitted extent of foreign investment in Japanese companies, these restrictions have now been largely removed and in practice do not provide any obstacle to investment. Accounting practices differ from those prevalent in Western countries, but some companies are now producing accounts designed to meet the needs of the international investor.

There is considerable need for further investment in Japan's economic infrastructure and creater expenditure in defence related industri However, the more attractive investment opportunities will be found in the electrical, electronic and communications fields, in certain expanding consumer sectors, among the pharmaceutical compan and in selected export industries where Japanese capital investment, production technology and product

Hong Kong is primarily a trading economy which has also developed as a major financial centre, in recent years some 80 per cent. of its manufacturing output has been exported, mostly to the U.S.A.,

The Hong Kong economy has prospered above all because of its adaptability. It is a free trade area. with virtual freedom from Government intervention, and has no foreign exchange controls. Government spending normally accounts for a relatively small proportion of G.D.P., and taxes are low. Small ses, which are extremely responsive to changing market trends, still provide most of the employment. As a result, real growth at an average rate of 9 per cent. has been seen in Hong Kong over

Recent economic and political developments in China have enhanced Hong Kong's importance, both to the West and to the Chinese thomselves. As China's largest export market, Hong Kong provides roughly one third of China's foreign exchange earnings, and it also acts as a staging post for the supply of Western finance and expertise.

portance has attracted many international companies to Hong Kong, and as a result property prices have risen strongly in recent years. Much of Hong Kong's stock market is consequently property-based, but there are also trading companies and utilities which offer sound long-term

Singapore has a trading economy in some ways similar to that of Hong Kong, although a larger

proportion of its income is derived from commodity-based trade with other countries in the area. The growth of Singapore has been impressive, with G.N.P. rising in real terms by 7 per cent, or more

in every year but two in the past decade. This growth reflects the relatively strong trends of the trade in ing industrialisation, and an increasing involve At the same time, Singapore has become an important financial centre, second only to Hong Kong in South East Asia. This has led to the rapid expansion of the property, banking and trading compar

sectors of the stock market in the last few years.

Malaysia is a producer of raw materials and is the largest supplier to the West of tin, natural rubber and pelm oil. It has long had a strong position in the export of hardwoods, and is now also a net exporter of obstantial reserves of both. Raw materials as a whole account for 70 per cent. of exports. The industrial base is expanding quite rapidly, but the country remains a substantial importer of

Over the last ten years, G.D.P. in real terms has rison by an average of 7.8 per cent, per onnum, and the rise in the current years, c.o.f. in real terms has need by an average of 7.8 per cent, per dinnum, and the rise in the current year is expected to approach this level.

It is the stated policy of the Government that by 1990 30 per cent, of the aggregate equity capital of companies operating in Malaysia should be owned by Malays. Large funds have been established using government, pensions and savings money in order to achieve this objective. A continuing and sizeable

demand for equities has therefore been created and the purchases by these funds have proceeded in a generally orderly way.

The Government has recently published its Fourth Malaysian Plan which emphasises the develop-

trent of the country's intrastructure and heavy industrial base for the years 1981-85. This next stage of Malaysia's economic development will provide further opportunities for investment. Most major companies operating in Malaysia are quoted on both the Kuala Lumpur and Singapore

Stock Exchanges. The repatriation to Malaysia of many U.K. mining and plantation companies during the last few years has aided the general improvement in the marketability of equities in these markets.

The Australian economy is substantially dependent on natural resources and agricultural products, all the countries of the Pacific Area, Australia offers probably the highest standard of living with a well**devaloped consumer market**

Japan now provides the largest market for Australia's mainly raw material exports. Over the decade to 1980 exports to Japan grew at a compound rate of 20 per cent. per annum in value terms. Australia already supplies minerals to Korea, Taiwan and Malaysia and has sufficient iron ore, copper, cost, in and gas reserves to meet a substantial upturn in domand. In addition, there are subserves of oil, and the pace of oil exploration activity has greatly increased in the past eighteen months. The principal areas of investment in Australia are therefore to be found among the natural resource

INVESTMENT POLICY

The emphasis of investment policy will be on capital growth, in the light of analysis given above under "Investment Background", while the geographical distribution will be subject to varietion as

s fluctuate, it is i Japan	mended t	hat the	e initial o	distribut	ion will	be app	
		••	••	••			55
Singapore and	Melaysia	••			••		15
Hong Kong				••	••	•-	10
Australia	••			**	••	••	5
Other areas		••	••		••	**	5

The other areas include U.K. companies with substantial Pacific area interests. These are mainly plantation, tin mining and trading companies with interests in Malaysia and/or Singapore or companies with mining interests in Australia. Such companies are likely to companies a small part of SFE's portfolio, it is also possible to invest in the Philippines, Indonesia and Thailand. Although settlement and repatriation of funds is sometimes a lengthy procedure, these areas may become attractive and small nts in these areas may be made. At present it is not possible to invest directly in China, nor practicable in South Korea or Taiwan owing to foreign exchange restrictions in those countries. Hower, should portfolio investment in these countries become possible, such areas could be attractive and SFE may make investments there if circumstances so permit.

The Directors will be prepared to maintain a higher level of liquidity should they consider this sie in the light of changing market conditions and liquidity will be deployed in the currency which is expected to give the best return.

SFE is ampowered to borrow funds (see paragraph I(d) of Appendix 1) although there is no expects-Son that any such borrowings would be undertaken other than for short-term purposes.

The By-laws of SFE provide for an Euracidinary General Meeting to be held in or about August 1989 at which Shareholders will be asked to decide if they wish SFE to continue in existence. Unless the holders of more than 50 per cent. of the Shares of SFE then in issue (other than any Shares held in Treasury)

If SFE is not to continue, the Directors of SFE will immediately take steps to dissolve SFE by realising its investments and distributing its net assets, after provision for liabilities and realisation costs. It is intended that the greater pert of the net asset value would be distributed to Shareholders within one month of the dissolution commencing.

ue, the By-laws provide those Shareholders who wish to do so with an opportunity. to realise all or part of their investment at near break-up valuation. In this case SFE will (subject to the to reason and or pen of their investment at new mean-up valuation in this base one win (autgot to the imitation on the power to purchese Shares imposed by Penamanian law and summarised in peragraph 2 of Appendix 1), during the period of one month following the seventh business day after the date of the Extraordinary General Meeting, purchase all Shares offered through the market at any price not exceeding 95 per cent, of attributable net asset value, as determined from time to time by the Directors of SFE during such period, up to a limit of 25 per cent, of the total number of Shares (including any held in Treasury) in issue immediately before the date of such Meeting. Any Shares so purchased will be held in

If SFE is not dissolved in 1989, Shareholders will be able to vote on its further continuance in or about August 1992, and every three years thereafter, at Extraordinary General Meetings convened for that purpose. SFE will be dissolved immediately after the first of these Extraordinary General Meetings at hich consent to its continued existence is not given. So long as SFE continues, its obligations every three years to purchase Shares on the same basis and during a similar period as described above will continue, save that this obligation will cease when the number of Shares held in Treasury equals 50 per

cent. of the total number of Shares (including any held in Treasury) in Issue immediately before the date A summary of the relevant provisions of the By-laws of SFE is set out in paragraph 1 of Appendix 1.

PURCHASE OF SHARES TO BE HELD IN TREASURY

Subject to the limitation referred to below and the provisions of Panamanian law, the Directors of

SFE are empowered throughout the life of SFE to purchase Shares in the market or by tender at any price. Any Shares so purchased will be held in Treasury. The Directors of SFE may not do so in any circumstances where the effect of the transection after expenses would be to reduce the net asset value per

Share.

This power will lapse if and so long as the number of Shares held in Treasury equals at any time during the period up to August 1989 26 per cent. of the total number of issued Shares, or thereafter, if SFE is not dissolved following the Extraordinery General Meeting to be held in or about August 1989, 50 per cent, of the total number of issued Shares.

The Directors of SFE may also sall Shares held in Treasury through the market or by tender at any price and at any time but may not do so in any circumstances where the effect of the transaction after penses would be to reduce the net asset value per Share.

Subject to the restriction on purchases and sales of Shares which would reduce net asset value per Share outlined above, Shares may not be purchased or sold for Treasury by private treety at prices per Share in excess of or less than, respectively, the middle market quotation therefor (based upon The Stock: Exchange Daily Official List) on the husiness day prior to such purchase or sale. Shares for the time being held in Treasury will not carry any emittement to attend or vote at General Meetings or to receive dividends.

Summaries of the relevant provisions of the By-laws of SFE and of Panamentan law are set out in paragraphs 1 and 2 respectively of Appendix 1.

TAXATION

It is the intention of the Directors of SFE to procure the conduct of the affeirs of SFE so as to ensure, so far as possible, that it will not be resident in the United Kingdom for the purposes of United Kingdom Since it is not intended that SFE will receive any income from sources in Panama, the Directors of

SFE have been advised that, on the basis of existing legislation, SFE will not incor any tax in Panama, whether on income or capital gains, other than a small annual franchise tax. Investment income received by SFE will normally suffer withholding tax in the country of source. In-

terest srising in Hong Kong will be liable to tax in Hong Kong. No withholding tax will be suffered on ds received by SFE from Hong Kong corporations or on dividends paid by SFE. It is not anticiperiod that SFE will be liable to tax in Hong Kong on capital gains.

Shareholders (other than residence of Panema) will not, under existing legislation, be emiged to any

Statemotors (other treat residents or resterns) with not, others in SFE owned by them.

12x (including withholding tax) in Panama in respect of any Sheres in SFE owned by them.

Section 460 Income and Corporation Taxes Act 1970, ("the Act"), empowers the Board of Inland Revenue of the United Kingdom ("the Revenue") in certain circumstances to counteract advantages obtained from transactions in securities and charge capital gains arising from stich transactions to tax as obtained from transactions in securities and charge capital gams arising from sport transactions to tax as income. Clearance has been obtained from the Revenue that the provisions of Section 460 of tips Act will not apply to the issue or subsequent transfer of Shares in SFE or to the subsequent repurchase by SFE of Shares and the reissue thereof. The Revenue are unable to indicate at present whether the proposals for dissolution in or about August 1989 will receive clearance since that must depend upon the circumstances at the time when the transactions are carried out. The Directors of SFE propose prior to the Extraordinary General Meeting in or about August 1989, or as required thereafter, to me extendingly denote meaning in or about August 1865, or set required thereafter, to make number application to the Revenue for the relevant clearance. The Directors of SFE have been advised that, on the basis of current United Kingdom fiscal legislation, there is no reason why the provisions of Section 460 of the Act should apply to the proposals for dissolution unless the circumstances of SFE at that time are such that SFE is then either actually or deemed to be under the opiniol of not more than five persons and does not satisfy the condition that its shales are authorized to be dealt in on a Stock Exchange in the

United Kingdom and are so dealt in (regularly or from time to time).

Residents of the United Kingdom will be fiable to United Kingdom tax on dividends received from SFE but persons who are not resident in the United Kingdom will not be so liable.

SFE but persons who are not resident in the United Kingdom wit not be so liable.

For United Kingdom tax purposes, the proceeds of redemption of Shares will not, under existing legislation and subject as mentioned below, constitute income unless the recipient is regarded as trading in securities, but any profits realised by a parson resident or ordinarily resident in the United Kingdom may be subject to tax on chargeable gains.

The attention of individuals ordinarily resident in the United Kingdom is drawn to Section 478 of the

In automore or individuals ordinarily resident in the Chinese Number of Security 4/5 or the Income and Corporation Taxes Act 1970 as proposed to be amended by Clause 46 Finance Bill 1981 and to Clause 45 of that Bill. These contain provisions for preventing avoidance of income tax by individuals by transactions resulting in the transfer of income to persons (including companies) abroast. Any liability of individual shareholders to taxation must depend on their particle circumstances. If any prospective investor is in any doubt as to his position, he should

The first accounts of SFE will be made up for the period from its incorporation to 31st Dec The mist excounts of one will be made up for the period from its interportation at a fact according to the revenue with for dividend but it is not envised that any distribution will be made for the initial according period. Directors expect that dividends paid will be small doe to the marively low yield generally obtain

Parliamentary business

Monday: Debate on Opposition moder of no confidence in Government-scomming and excisi policies: Amed Forces Bill, Lords amendments: (Disposal: of Wytch Farm Olifield Interests): cost Industry orders. Proceeding moders to permit the Lloyd's slill to be carried over to the next session of Parliement. Select Committee: Emergy, subject chargy conservation. Winesesse: officiels from the Department of Energy and the Department of Energy and the Department of Tyskday: Transport Bill Lords smending ments: debate on EEC documents on the Steel Industry. COMMONS

mants: dabate on EEC documents on the Steel Industry,
Wadnesday: No sitting.
Thursday: Wildlife and Countryside
Bill, remaining stages: Employment and
Training Bill, Lords amendmants;
London Docklands Development Corporation Orders.
Friday: Debate on benefits up-raing and amendments regulations.

LORDS
Monday: Consolidated Fund Bill, all stages; Bellize Bill; Committee and remaining stages; Employment and Training Bill Report and Third Reading; Deep Sea Mining (Temporary Provision) Bill, Commons amendments; Furniture Devalopment Council Dissolution Order.
Tuesday: Ullaponi Pier Order

Puriture Development Council Dissolution Order.

Tuesday: Ullapool Pier Order confirmation Bill, Report Stage: Supreme
Court Bill, Commons amendments:
Bellding Societies Authorisation Regulations; Industrial Investment Northern
Ireland Order.

Wednesday: No sitting.
Thursday: Ullapool Pier Order Confirmation Bill, Third Reading: Education
Bill, Report: debate on proposed BBC
cuts to external services.

Friday: Education Bill Report: Pensioners Lump Sum Payments Order:
Child Banellt Up-rating Regulations:
Fainly Income Supplements Computation Regulations: Social Security
Benefits Up-rating Order: Supplementary Benefit up-rating regulations;
Supplementary Benefit Requirements
and Conditions of Entitlement amendment regulations: Films Order. Two
London Dockland orders.

COMPANY MEETINGS-Altken Hume Inv., Winchester House, 100, Old Broad Street, EC. 12.00 Amber Industrial Holdings, Cayzer House, 2 and 4. St. Mary Ass. EC, 2.30 Barker and Docon, Hyde Park Hotel. Knightsbridge, SW, 12.00 Expect (Geol.) Livescy Street. Owigrton. Shemeid, 3.30 Dominion and General Trust. 3. Albyn Place. Bedinbursh, 12,00
Francis Parker. Aviatord Park Horel. Walberton, Arendel, West-Sussex, 12,00
James, (Maurice)
Loventry, 12,00
Loventry, 12,00
Loventry, 12,00 Caventry, 12.00 mas. Hotel Leofric, Jatel. 1, Hobart Place, SW. 12.00 Property Hodding and Inv. Tet., Europa Hotel, Grasvenor Square, W. 12.15

2 and U Stores, Chamber of Commerce, 75. Harborne Road, Elimingham, 3.00 Scotcros, Albany Hotel, Bothwell Street, Glasgow, 12.00

5 String Inds., Caver House, 2 and 4, 5t. Mary Axe, EC. 12.30

5 Mary Axe, EC. 12.30

Town and City Properties, Winchester House, 100, Old Broad Street, EC, 10.30

Whitecroft, Blackirlars House, Parsonage, Manchester, 12.00 BOARD MEETINGS-AAH
Aeronautical and General Invs.
Eliis and Everard
Macarthy's Pharmaceuticals
Midland Trust
Stirling Knitting
Comking (F-N-)

idlavs Hidgs. Ional Westminster Bank Interios: Bank Leum! (UK) CSC Inv. Tst. Nottingham Manufacturing Temple Bar Inv. Tst. niage Securities Temple Bar Inv. Tst.

DIVIDEND AND INTEREST PAYMENTS
Afticen Hume 49.
Afticen Hume 49.
Barbon Soft Drinks 5.2889
Bremar Tst. 1.19
Bremar Tst. 1.19
Brixton Estate 1.899
Brunding Group Ord and R.V. Ord. 2.459
Camden Variable Rate Red 1983 57.20315
Courtsuids ip
English and Inch. Tst. 49
Excel Group S.259
Grindlay Exponance BV Gtd. Pits. Rate /ahitona
/ah Hargreases Group 1.15p Jersey General Inv. Tst. 12p Manchester and Metropolitan Manks Inv. Tst. 1.3p Ocean Wilsons (Hidgs.) 1.85p Property Hidgs. and Inv. Tst. Scottors 3.3878p Terronto-Dominion Bank 40cts tan Inv. Tat. 10 rindlay Europhanice BV Gtd. Fits. Rate Cap. Notes 1988 U.S.3897.36 awtin 0.25p nion Bank 40cts Toronto-pominion Dank Sucia
WEDNESDAY, JULY 29
DIVIDEND & INTEREST PAYMENTS—
B.E.T. Omnibus 109cPt. 3.5pc
Bank of Nova Scotia 42cts
Dunhill (Alfred) 59
Hiddams 2.7799
Rediffusion Television 5.9pcPt. 2.975pc Cap. Notes 1988 U.S.\$897.35
Hawtin 0.25p
Jatel 4p
Le Validance 2.5p
McCorguodale 2.75p
McCorguodale 2.75p
McThern Goldsmiths 2.56p
Scott's Restaurants 3.52p
Vinus Del Mar (City of) (Chile) Spc
(Now 3pc) Ste. Ln. (Assd. 1948) 27pc

(Now 3pc) Ste. Ln. (Assd. 1948) 27pc
Behaven Brewery, Waldort Hotel.

Beihaven Brewery, Waldorf Hotel, Aldwych, W.C., 11-50
Brown and Jackson, Crest Hotel, The RingBritish, Spann Specialities Group, Grand
Hotel, Leicaster, 12-00
Country and New Town Properties, 6-11,
Apar Street, W.C., 12-00.
Craig and Rose, 172, Leth Weik, Ecinburg and Rose, 172, Leth Weik, EcinDurgolated, Institute of Chancolated Institutes EDMPANY MEETINGS
W 3-00
Bett Omnibus, Stratton House, Piccadilly
W 3-00
Bariow Holdings Plantation House, 10-15
Mincing Lane EC, 12-15
British and Commonwealth Shipping,
Ballic Exchange, 14-20 St Mary Axe,
EC, 12-00
Caledonia Invs., Cayzer House, 2 and 4
St Mary Axe, EC, 3-00 ngan, 10.30 histories of Chartered Account-

Coalite Group, Savoy Hotel Strand, WC

Kent, 12.60 Institute of Electrical Engineers Savoy Place, WC. 12.00 Russell Brothers (Paddington), Hendon Way Hotel, 11.00 Tamparent Paper, Cafe Royal Regent Street W 12.30 Inlon Intni... Winchester House, 100 Old Broad Street, EC, 12.15 BOARD MEETINGS.

Fitalisi Acrow Cawdaw industrial

WEEK'S FINANCIAL DIARY

Continuous and Industrial Trust, 120
Cheapaide EC, 12.00 Royal, 58 Regent
Street, W. 12.00 Lale Royal, 58 Regent
Street, W. 12.00 Lale
Manchester, 17.45
Holt Loyd Inth. Lloyd's House Alderley
Road, Wilmslow. Cheshire. 3.00
LC.P. Holdings Metropole Hotel,
National Exhibition Centre, Birmingham,
12.00 The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The subdivisions shown below are based mainly on last year's timetable. 12:00
Manchester and Metropolitan inv. Tst.
Ship Casal House. King Street. Manchester, 12:00
Ocean Wilsons (Missa). Winchester
House 100 Old Broad Street. EC. 12:15
Pethow. Richbordunh Works, Sandwich
Kent, 12:00
Reed, inthi. Institute of Electrical
Engineers Santas

Elliott Group of Peterboraugh, Great Eastern Hotel, Liverpool Street, E.C., Emray, 61, Grosvenor Street, W. 10.00 Ferranti, Milibank, Tower, Milibank, 12.15
Highgate Optical and Industrial, 38,
Jamestown Road, MW, 11.00
Humphres Hidgs., Cafe Royal, Regent
Street W, 12.00
Johnson Matthey, 20, Aldermanbury, E.C.,
11.30 Johnson Matthey. 26, Aldermanbury, E.C., 11.30
Kleen-e-ze Hidgs., Martins Road, Hannam, Bristol, 2.30
Libyd (F.H.) Hidgs., Albany Hotsel, Small, brook, Queensway, Sirmelngham, 12.00
Millord Docks, Hyde 2rk Hotsel 66, Knightsbridge, S.W. 12.00
Paulis and Whites. Pauls and Whites Eports and Social Club, Stone Lodge Lane, Ipswich, 12.15
Renold, Renold House, Wythenshawe Manchester, 2.30
Manchester, 2.30 Rooms, Great Queen Street, W.C., 12.00
600 Group, Grosvenor House, Park Lane, W. 11.30 Street, W.L.

500 Group, Grosvenor House, Park Lane,
W. 11.30
United Electric Hidgs. Great Eastern Hotel.
Liverpool Street, E.C., 12.00
Wedgwand, 34, Wighnore Street, W., 12.00
Wilkins and Mitchell. Service Appliances
Ltd., Darlaston Road, King's Hill,
Wedgesbdry, 3.00 BOARD MEETINGS-Flashs:
Dixons Photographic
Fitch Lovel
Jarvis (1,1)
Spear (1, W.)
Stavent Zigomala
Steinberg
Interims:
Imperial Chemical Inds.
Lex Service

'rēstigē 'ratt (F.) Engineering DIVIDEND & INTEREST PAYMENTS... African Development Bank Fitg. Rate Notes due 1983 U.S.887.67 Agricultural Mortgage Corp. Var. Bds. African Activated African African Activation of 1983 U.S.587.57
Agricultural Mortgage Corp. Var. Bus. 512/82 5-1400
Birlish Home Stores Ln. 4-500
British Home Stores Ln. 4-500
British Steam Specialities Group 3.250
Chase Manhattan Overseas Bunking Corp.
Fitg. Rate Notes due 1993 U.S.587.04
Consolidated Suttontein Mines 5-75.
De Beers Consolidated Wines Mines 5-75.
Dow Chomical 45-Cts
Down Chomical 45-Cts
Down Chomical 65-Cts
Down Chomical 65-Cts
Griqualand and West Diamond Mining
Sect. Dow Chemical 45cts
Durban Roodepoort Deep 49.4
East: Rand Proprietary Mines
Grigualand and West Diam
23.5cts
Harrisons and Crossield 20.5o
Hill (Philip) Inv. Tst. 4.3p
Liverpool 131-pc 1981 6/2pc
Millord Docks 0.5p

Readfearn Mational Glass 3p Russell Brothers (Paddington) 3.525p Tiper Oats and Mational Milling Pt. 23cb Tor Inv. Tst. Deb. 23cb FRIDAY, JULY 31 BPB Inds. Ferguson House. 15-17.
Marylebone Road, NW, 12.00.
Baraoora Tea. Finlay House. 10)14, West
Nile Street, Glasgow, 9.30
Beethstm Group, Hotel Inter-Continental.
1. Hamilton Piste. W., 12.00
Brain Welfer. 23, Tower Piace. Tower
Hill. E.C. 4.00
Brown (N.) 10v., Midland Hotel, Pater
Street, Manchester. 2.30
Capital and Countee Property. St. Angrews. Arreet, Manchestet. 2.30
Capital and Counties Property, St. Andrew's House, 40, Broadway, 5.W., 12.00.
Cariton Real Estates, 3, Grosvenor Street, W. 10.30. Crosper (James), Burneside Mills, Kendal. 10.30 10.30
Cummins Engine, 46-50. Coombe Road,
New Malden, Surrey, 10.30
Electronic Rentals, Howard Hotel, Temple
Place, Strand, W.C., 12.00
Finitay (James), 10014, West Mile Street,
Glasgow, 12.00
Fortnum and Mason, Bowater House, 68
Knightshidge SW, 10.30
Eastern Hotel,
Liverpool Street, E.C., 11.30
Marinex Petroleum, Great Eastern Hotel,
Liverpool Street, E.C., 11.30
Mercantile House, Chamber of Commirce
and Industry, 69, Cannon Street, E.C.,
12.00 Property Partnerships Hotel Norwich, Norwich 11.50 Norwich, 11.50
Redinusion, 115. Pall Mall. S.W., 12.15
realemt, Winchester House. 77. London
Wall, E.C., 12.00
resco Stores (Hidgs.), Connaught Roome,
Great Queen Street, W.C., 12.00
Parinter, St. Ermin's Hotel, Caxton Street,
S.W., 11.30
Woodhead (Jonas). Parkway Hotel, Otley
Road Lerds, 2.30 BOARD MEETINGS-

Figals: Arbuthnot Government Securities Tst. Marling Inds. Security Centres Interims: foru (Martin) Midand Bank Plastic Constructions DIVIDEND & INTEREST PAYMENTS-Airliow Streamlines 10pc Pr. 5pc
Alithone Sons Ln. 3lspc
Alilance Prop. Hidgs. Ds. 44pc
Alilance Tst. Db. 24pc
Alilance Tst. Db. 24pc
Alilance Joyner Gp. Ln. 5pc
Anglo-Transvali Cons Inv. A 132,801584
Do. Pig. Pf. 65,3341609
Aurora Hidgs. 8pc Pf. 4pc
Do. 8,25pc Pf. 4,125pc
Austrian 6pc 8ds. 1979-84, 3pc

Jenks Cattell 3.85pc Pf. 1.925pc Do. 10pc Pf. 5pc Banco de Chije Firg. Rate Notes 1986 SUSAB.79 Barciays Orseas Hiv. Gld. First. Notes 1995 USS667.88 Lewis Clohn) Properties Db. 4% 50c Liberty Spc Pt. 2.1pc Do. 9.5pcPt. 4.75pc Beattle (James) Spc Pf. 2.10c Section for Hidel, Sinc Do. 1 On Do. 57-per Lipsed L. 1. 4pe Lipsed L. 1. 4pe Lipsed L. 1. 4pe Lipsed L. 1. 4pc Pt. 1. 4 Lepc Pt. J. 4875 pc Do. 51-pc Pt. 1. 8375 pc M. 1284 G. High Income Fd. Income Units 4.5p. Beechwood Construction 1p Beigrave (Blackheath) 7pc Pf. 4,9oc Bentalis Signey: 1,925pc
Bishopsunte Tst, Spc Pt. 1,75pc
Bishopsunte Tst, Spc Pt. 1,75pc
Bollington Tentile Printers South 2,1pc
Border Southern Stockholders Tst. SpcPt.
1,75pc Do. 54pcPt. 1.8375pc
M. and G. High Income Ed. Income
Units 4.4p
Macallan Glenipet 24pcPt. 3.0625pc
McKechnie Bros. 6pcPt. 2.1pc
McKechnie Bros. 6pcPt. 2.1pc
McKechnie Bros. 6pcPt. 2.275pc
Mersina stranswall Development 22 Sc
Md-Kent Water Red. at par on \$117/181
of the SpcRd-Pt. 1981 with Interest
accrued from 1/7 to \$1/7
Middle Witweterarand (Western Areas)
29.333585p
Morris (B. U.) 5pcPt. 1.75pc
Mgrray Glenderen Invest. Tst. Db. 5.3pc
MCR Corp. 55c
Osborn (Samuel) Db. 3 spc
Owen George SipcPt. 2.275pc
Oo. Bebs. 34c, 3 bpc
Db. 1st. 4pc
Parker Koch Db. 4-pc
Parker Koch Brascan A 50cts British Dreaging LA, 4pc British Petroleum Sport 2.8pc. 3.13pc
Briston Est. Db. 3pc
Brook Street Bareku Mayfair 1p
Burron Grp. 2p
Cuptal National Tst. 5scPt. 1.75pc. Db.
2 upc
Cumbined English Stores Grp. 74pcPt.
2.7123pc 2.7/25gc Commercial Services 1.47p Comercial Religious Services 1.47p Cook Whits Let 4 ber Croda Food Interedients Gro. Booth. 2.8pc Davies Newman Hidas. 6.15p. Beers Consold. Mines Pr. (Reg.) 20pc. Pt. (Br.) 20pc. Pt. (Br South Group 2-74 pt State Pt. State in Discount 31-pcPt, 1.225pc igt. 5.80tPt. 2.7pc igt. (East) 10-pcPt. 8.375pc Gomme Higgs 5.49. The John S. 37 Sec Greenbank 15t. 4p Greenbank 15t. 4p Gouldhall Prop. Db. 3 kee. Hambros Inv. 75t. 4p, Db. 3 kee. Hambros Inv. 75t. 4p, Db. 3 kee. Hambros Inv. 75t. 4p, Db. 3 kee. Hambros Inv. 55 3 Sec. Helmerth LJ. 25 3 Sec. Helmerth LJ. 2pp. 2.45pc. 10pcPl. 3.5pc. 5pc. 7pc. 2.1pc Hopkingon, Hidas. 5.25pc. 7pc. 2.625pc Hopkingon, Hidas. 5.25pc. 7pc. 2.625pc

House of Fraser 4'200Pt. 1.575pc. 5'zpc Pf. 1.925pc. 7'200Pf. 2.625pc. Lm. 3 4'spc. Hudsons Bay 12.4963p Whites (Timothy) Lz. 490 Witan Invest. Z-70c PL 1.35pc Wolstley-Hoghes 4.4p Do. 50c Pf. 2.1pc Go. Dby. 31c, 50c Zandpan Gold Mining 52.213960p SATURDAY, JULY 1 Intal, Inv. 7st. Db. 3 apc Investing in Success Equities Deb. 27apc DIVIDEND & INTEREST PAYMENTS-DIVIDEND & INTEREST PAYMENTS—
Allied Louden Props. 10pc Pt. 5pc
American Tst. 5pc Pt. 1.75pc
Aquascutum Assoc. 71pc Ptg. Pt. 2.625pc
8EA Crp. 5pc Pt. 1.75pc
Bendingmin 71pc Red. 1980-82 37pc
Do., 91pc Red. 1979-81 45pc
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Caledonia Invs. Db. 3pc
City Invs. Db. 3pc
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Do. 7t. Sers. 8 5octs
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Dailery 4.35pc Pf. 2.425pc
Daniel Song Brewerles Db. 2/4pc (1st)
Debenhams 61pc Pf. 2.275pc
Do. 7pc 2 Pf. 2.45pc
Dover Harbour Soard 44pc Db. 1978-83 23mc Paper on 1971
Drayton Cors. Tet. Db. 24mc (Pers.)
Duchey Stync Red. 1979-81 43mc
Dunley Textiles 51mc Pt. 2.275mc
Flectric Gea. Inv. Db. 33mc
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Mcor Inc. 71c
North East Lines. Water Board 6/speRd
Morth East Lines. Water Board 6/speRd
Morth East Lines. Water Board 6/speRd
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United Int. 10 north, 2-foc
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Whitheread Sipopt, (2nd) 1.575pc
Oo. Db. 1-spc.
Whithread Inv. Db. 3/spc
Witan Inv. Db. 3/spc

32 Com Street

3. Shares

ACCOUNTANTS' REPORT The following is the text of a Report received by the Directors of SFE from Coopers & Lybrand, the The Directors Stockholders Far East Investments Incorporated Shell House,

P.O. Box 5246,

declared or paid and the Company has not commenced business.

Republic of Panamar Hong Kong. 24th July, 1981. We report that Stockholders Far East Investments Incorporated ("the Company") was incorporated on 8th July, 1981 and that elice that date no accounts have been made up, no dividends have been

TOMORROW

COMPANY MEETINGS

COOPERS & LYBRAND. Chartered Accountants and Certified Public Accountants. Hong Kong.

Queen's Road Central,

APPENDIX 1

CONSTITUTION OF SFE AND PANAMANIAN LAW

Articles of Incorporation and By-laws The Articles of Incorporation and By-laws of SFE contain, inter alia, provisions to the following effect:-

The Articles of Incorporation and By-laws of Sr 2 contain, *Inter alla*, provisions to the renowing effect.

(a) Shareholders' Meetings

Meetings of Shareholders will be held at such times (other than Annual General Meetings which must be held once in every year (other than 1981) and not more than lifteen months after the last such Meeting) and places as the Directors may decide. All infestings may be held outside Panama but shall not be held within the United Kingdom. Meetings shall be convened by not less than 21 days' clear notice to Shareholders. The Notice convening the Meeting shall state the data, time and place of the Meeting and shall also indicate the objects of the Meetings. Shareholders may attend any Meeting of Shareholders in person or by proxy. The quorum at any Shareholders' Meeting shall be 3 Shareholders present in person or by proxy and entitled to vote. No Resolution may be pessed without the sanction of an affirmative vote of the holders of a simple majority of Shares represented and voting at the Meeting.

Valing Rights

(ii) A corporation may be present at any meeting and may vote therest by a representative duly appointed.

(ii) Subject to any terms as to voting upon which any Shares may be issued, on a show of hands every member present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every U.S. \$1 in nominal amount of Shares of which he is a holder.

(c) Directors
(i) A Director is not required to hold any Shares by way of qualification nor is there any age limit for Directors.
(ii) The ordinary remaineration of each Director shall not exceed U.S. \$8,000 per amount or such lesser amount as the Directors may from time to time determine. Any Director who in the opinion of the Board of Directors performs services outside the ordinary duties of a Director (for example the holding of an executive office and the ordinary duties of a Director (for example the holding of an executive office and be obtained by the ordinary duties.) or service on a committee of Directors) may be paid such extra remuneration as the Directors determine.

The Directors are also entitled to be repaid all such reasonable expenses incurred in or about the performance of their duties including any expenses incurred in attending meetings.

(iii) The Directors are empowered to pay pecusions, superannuation, death or disability benefits to or in respect

of any Director or ex-Director.

(iv) The Directors must meet four times a year but no meetings may be beld in the United Kingdom and any proceedings at any meeting so held shall be invalid end of no effect.

(v) No person shall be appointed or remain as a Director if such would cause or permit a majority of the Directors to be resident in the United Kingdom. A Director shall be disqualified from setting as a Director if subsequent to his appointment he becomes resident in the United Kingdom and as a result a majority of the Directors are resident in the United Kingdom.

(vi) A Director may appoint any other person, who need not be a Director, as his proxy to represent him at meetings of the Board of Directors provided that no person resident in the United Kingdom may be appointed unless his amounter is also so resident.

pointed unless his appointor is also so resident.

No Director shall be disqualified by his office from contracting with SFE or from being interested in any contract or arrangement entered into by or on behalf of SFE. No such contract or arrangement in which any Director is so interested shall be avoided, nor shall any Director so contracting or being so interested be liable to account to SFE for any profit realised thereby, but the nature of his interest must be declared by the Director.

by the Director.

(viii) Subject to exceptions contained in the By-laws, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material integes otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through SFE, and he shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from

(d) Borrowings
The Directors may exercise all the powers of SFE to borrow money and to mortgage or charge its undertaking, property and uncelled capital, and to issue debentures and other securities, whether outright or as collecteral security for any debt, liability or obligation of SFE or any third party, provided that the aggregate amount outstanding in respect of borrowings by SFE and its subsidiary companies, if any, (exclusive of intra-group borrowing) shall not at any time without the previous sanction of a Resolution approved by the holders of a majority of the Shares represented and voting at a Meeting of Shareholders exceed an amount equal to three-quarkers of the Adjusted Capital and Reserves (as defined in the By-laws) save that, until the first audited accounts have been made up and audited, there shall be substituted for such amount the sum of U.S. \$12,000,000.

(e) Capital Reserve
The Directors shall establish a Capital Reserve and shall carry to such Reserve any capital appreciation realised
on the sale or realisation of any assets of SFE for a sum in excess of book value and any other sums representing
accretions to capital assets. The Capital Reserve shall not be treated as representing profits available for distribution
as dividend, but may be used or debited for cartain purposes of a capital nature.

(i) Management.

The Directors are empowered to appoint Managers of SFE's investments and administrative affairs to whom the Directors may delegate such of their own powers and duties as they think it provided always that such appointment shall be subject to termination by the Directors on six months' notice and that no such Managers shall be residents of the United Kingdom. Subject as provided in the By-laws the terms of any agreement or contract appointing the Managers shall be subject to approval by the holders of a majority of the Shares represented and voting at a Meeting of Street shall be subject to approval by the holders of a majority of the Shares represented and voting at a Meeting

(g) Net Asset Value per Share

The expression "Net Asset Value per Share" is defined in the By-laws as meaning at any relevant time the value
of the assets of SFE less the attount of the liabilities of SFE determined by the Directors (or if the Directors have at
such time delegated their powers to determine such to any Manager such Manager) divided by the number of Shares

such time delegated that powers to use trianes and to any house it issue at that time.

For the purposes of this definition the expression, "Shares in issue" shall not include Shares for the time being For the purposes of this definition the expension of the sold by SFE) or Shares contracted to be purchased by SFE, and held in Treasury (other than those contracted to be sold by SFE, and the value of Assets shall, in the case of listed securities, be their market valuation and, in the case of unlisted securities, the fair value as determined by the Directors or any Manager, as the case may be.

the fair value as determined by the bill in Treasury.

(b) Purchase of Shares to be held in Treasury.

Subject to the provisions of Panamentan law, the Directors are empowered throughout the life of SFE to purchase Subject to the provisions of Panamentan law, the Directors are empowered throughout the life of SFE to purchase Shares to be held in Treasury. The power will lapse if and so long as the number of Shares held in Treasury equals start any time during the period up to August 1989 25 per cent. of the total number of issued Shares or thereafter, if SFE is not dissolved following the Extraordinary General Meeting to be held in or about August 1989, 50 per cent. of the

is not dissolved following the Extraordinary General meeting in be left in the anti-ruggles, 1995, so the first total number of issued Shares.

The Directors may not purchase or sell Shares under this power in any circumstances where the effect of the transaction after expenses is a reduction in Net.Assat Value per Share. Subject to such restriction, the Directors may so purchase or sell Shares through the harket or by tender at any price or by private treaty at a price per Share for purchases and sales not in excess of or less their, respectively, the middle market quotation therefor (based upon The Stock Exchange Daily Official List) on the business day prior to such purchase or sale.

Shares for the time being held in Treasury will not carry any entitlement to attend or vote at General Meetings.

or to receive dividends. Winding Up
The Directors shall convene an Extraordinary General Meeting of SFE to be held during the six-week period

The Directors shall convene an Extraordinary General Meeting of STE to be field during the SST-Week period commencing on STst July, 1989 in order to consider a resolution, which shall be set out in excess in the notice convening such Extraordinary General Meeting, as to whether or not SFE shall continue in existence.

On these such resolution is passed of is defeated, depending on its terms, at such Extraordinary General Meeting, the Directors shall (subject always to the provisions of Panamarien law) forthwith take all steps to effect a dissolution of SFE so as to realise its investments and essets and distribute to the members ended thereto the net proceeds

thereof.

If, following such Extraordinary General Meeting, SFE is not required to be dissolved, it will (subject to if, following such Extraordinary General Meeting to be held during Paramanian law) continue until the Directors convene a further Extraordinary General Meeting to be held during the six-wack period commercing on 31st July, 1992 for again considering whether SFE should continue. Unless the six-wack period continue is then passed or defeated (as the case may be); the Directors shall forthwish take steps to equisite resolution is their passed to determine the distribution of the Directors shall in every third live SFE as described above. It following such Meeting SFE is still to continue, the Directors shall in every third thereafter convicte an Extraordinary General Meeting to be held in the relevant six-weak period in that year thereafter convicte an Extraordinary General Meeting to be held in the relevant six-weak period in that year

untu such time as and is dissolved.

Any resolution proposed at an Extraordinary General Meeting held for this purpose requires to be passed by a majority of the votes attaching to all the issued Shares (other than those held in Treasury) and, unless so passed, shall be deemed to have been deleated.

Panamapian Law ransmapsen wave

(a) All amendments to the Articles of Incorporation of By-laws of a corporation established under Panamanian law must be approved by the holders of a majority of the Shares in Issue and represented at Meetings of Share-holders. Subject thereto, any such corporation may amend its Articles of incorporation or By-laws, save that no reduction in authorised agricultural be made through an amendment of the Articles of Incorporation if any connected eduction of assets wheld feeld in the advair value of the assets of the corporation being diminished to be less than Satisfaction of assets wheld feeld in the advair value of the assets of the corporation being diminished to be less than

the value of the liabilities.

(b) Unless its Articles of friedposition provide otherwise, a Paramatian corporation may purchase its own Shares. A corporation acquiring its own Shares with funds derived from the excess of its assets over its liabilities or from its net profits may rate in the Shares or sell them for its own purposes. Shares of a corporation which have been from its net profits may rate in the Shares or sell them for its own purposes. Shares of a corporation can acquire its own Shares os acquired cannot be represented or vote at Meetings of Shareholders. No corporation can acquire its own Shares with funds other than as above described if as a consequence the value of its assets is reduced to an amount less than the value of its liabilities, treating the issued capital (reduced by the displet of purchased Shares) as part of its

bilities.

(c) Asids from any right of the Directors of a Paramanian corporation conferred by the Articles of Incorporation
By-laws to restrict the transfer of parity-parid Strates, the Directors may refuse to register a transfer of phares if the
Ider of the Shares is indebted to the corporation until the amount owed is paid

(d) Any one or more Shareholders in a Parismanian corporation may transfer their Shares to one or more (d) Any one or more suspensioners in a remanantal corporation may transfer their Shares to one or more treatees and by agreement grant such trustees the right to vote in the name and on behalf of such Shareholders for such term and on such conditions as they may specify. In such case, a corporation shall issue a new certificate for the aggregate number of Shares-subject to such an algements in the name of the trustee or trustees and a certified copy of the relevant agreement shall be provided to the corporation.

(e) Panamanian corporations may be dissolved either pursuant to a dissolution agreement approved by the Directors and ratified in General Meeting by the holders of a majority of the issued Shares represented theteat, or in any case provided for in the Articles of incorporation of By-laws, or by a judicial decree in certain circumstances including illegality or wrongfulness of purpose or at the petition of one of the Members. In the case of dissolution by consent of the Shareholders, once the instrument evidencing this has been registered, and a copy thereof published in a newspaper or, if none, the Otticial Gazette in Panama, the dissolution is deemed to have taken place. Thereafter the Directors have power to act as trustees for the corporation for a period of three years in order to settle its affairs, realise its assets and settle its liabilities and distribute any surplus among the Observations.

STATUTORY AND GENERAL INFORMATION

SFE was incorporated in the Republic of Panama on 8th July, 1981 with limited liability. SFE, which has not menced business, has no place of business in the United Kingdom. The Resident Agent in Panama of SFE is semena, Nonega & Castro, whose address is Banco do Brasil Building, Elvira Mendez Street 10, Panama, Republic

SFE was incorporated with an authorised share capital of US\$10,000 dividend into 10,000 Sharesof US\$1 each. By an instrument amending the Articles of Incorporation registered on 21st July, 1981 the authorised capital was altered and increased to US\$10,000,000 divided into 10,000,000 Shares of US\$1 each.

The following contracts, not being contracts in the ordinary course of business, have been entered into by SFE

2. Material Contracts
The following contracts, not being contracts in the ordinary course of business, have been entered into by SFE since its incorporation and are or may be material:

(i) Dated 24th July, 1981 between (1) SFE and (2) Management whereby Management agreed, inter size, to manage the investments of SFE and provide other services for a semi-annual fee of \$\frac{1}{2}\$ per cent, of the net assets of SFE (calculated in accordance with the By-laws). No expenses incurred by Management in the performance of and attributable solely to its duries under the Agreement will be charged to SFE in addition to this fee. The Agreement is required to pay out of its fee the fees payable to John Govett under the investment Advice Agreement (iii) below) and the fees (up to a maximum of US\$24,000) payable by Management to Hoare Govett (Fer East) Limited under the Securice's Agreement (3 (vi) below) and out of which Hoare Govett (Far East) Limited is required to pay the fee of US\$16,000 payable to John Govett under the Accounting Agreement (3 (vii) below).

(ii) Dated 24th July, 1981 between (1) SFE for a semi-annual fee of one-lifth of the semi-annual fee payable to Management under the Management adgreement and payable by Management out of the fee payable to Management under the Management agreement and payable by Management out of the fee payable to Management under the Management agreement and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and payable by Management out of the fee payable to Management and pa

 Directors', Promoters' and other Interests

 (i) No Director of SFE has at the date hereof any interest in the share capital of SFE, W. J. R. Govert,
 M. R. Comwall-Jones and A. S. Nicholson intend to apply for 175,000, 2,500 and 2,000 Shares in SFE respectively pursuant to this issue, such Shares being included in the total of 6,000,000 Shares for which the Directors of SFE are

 aware that application will be made. (ii) There are no service contracts in existence between SFE and any of its Directors nor are any such contracts

proposed.

(iii) Each of M. R. Comwall-Jones, W. J. R. Govett and A. S. Nicholson is interested in the contracts telefred to

(iii) Each of M. R. Comwall-Jones, W. J. R. Govett and A. S. Nicholson is interested in the contracts teletred to in (2) (i) and (ii) above and in (vi) and (vii) below as shateholders of John Govett.

(iv) Each of M. R. Comwall-Jones, W. J. R. Govett and A. S. Nicholson is a Director of John Govett and will account to John Govett for any fees received by him as a Director of SFE.

(v) Out of the commission of 12 per cent, received by Hoare Govett Limited under the Underwriting Agreement referred in 4 (i) below, John Govett will receive a commission of 12 per cent, on the issue price of the Shares for which its clients make firm application and/or are sub-underwriters, and will re-allow a commission to such clients of 12 per cent, on the issue price of such Shares.

(vi) By an agreement deted 24th July, 1931 between (1) Management and (2) Hoare Govett (Far East) Limited. Hoare Govett (Far East) Limited agreed to provide certain services to Management for a maximum fee of US 924,000 per annum out of which Hoare Govett (Far East) Limited will pay all expenses incurred by it in providing such services including the fee payable to John Govett under contract (vii) below. The agreement is terminated.

Management Agreement is terminated.

(vi) By an agreement dated 24th July, 1981 between (1) Hours Govett (Far East) Limited and (2) John Govett, John Govett agreed to perform certain accounting services for Hours Govett (Far East) Limited in relation to the affairs of SFE for a fee of US \$16,000 per annum out of which John Govett will pay all expenses incurred by it. The agreement is terminable, inter alia, if the Services Agreement ((vi) above) is terminated.

4. General

(i) Under contract 2 (iii) above Houre Govett Limited has agreed, subject to the Council of The Stock Exchange admitting the Shares of SFE to be issued to the Official List not later than 31st July, 1981, to underwrite the issue of 3,000,000 Shares for a fee of £10,000 and a commission of 1½ per cent. on the aggregate issue price of such Shares. Out of such commission houre Govett Limited will pay to John Govert the amounts referred to in 3 (v) above and to sub-underwriters a commission of 1½ per cent. on the issue price of the Shares concerned.

(ii) SFE will pay its preliminary expenses of US\$1,200 and also the expenses of this issue, including all accountancy and legal expanses, the cost of printing, advertising and circulating this Prospectits, Stock Exchange listing fees, the fees and expenses of the Receiving Bankers and the Registrars and the above-mentioned commissions. The aggregate costs and expenses in respect of the issue are estimated to amount to US\$600,000.

(iii) No share or loan capital of SFE is under option or agreed conditionally or succonditionally to be put under option. Save as disclosed herein (a) no share or loan capital of SFE has since its incorporation feen issued or is proposed to be issued for cash or otherwise and (b) no commission, discounts, brokerages or other special terms have been granted by SFE in connection with the issue of sale of any of its capital.

(iv) SFE has no litigation or claim of material importance pending or, so far as the Directors of SFE are aware, threatened against it.

threatened against it.

(v) Save for the Shares offered for subscription fereunder no material issue of Shares of SFE (other than to Shareholders pro rate to their existing holdings) will be made within one year of the date helpof without the prior approval of SFE in General Meeting.

(vi) The minimum amount which in the opinion of the Directors must be taked by the issue of the Shares now offered for subscription in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 is US \$12,000,000, made up as follows:—

(a) purchase price of property: nil; (b) preliminary expenses and commission payable in relation to the issue: US \$500,000;

(c) repayment of moneys borrowed: nii; and

(d) working capital: US \$11,500,000.

No amount is to be provided in respect of any of the matters aforesaid etherwise than out of the proceeds of the (vii) The net proceeds of the issue, which are estimated to amount to US \$15,500,600 (assuming that any

(vii) The net proceeds of the issue, which are estimated to amount to US \$15,500,000 (assuming that any subscriptions for Shares in stating can be converted into dollars at a rate of US \$1.82=£1), will be applied as working capital of SFE in accordance with its investment policy.

(viii) John Govett is the promoter of SFE. Save as disclosed herein, no amount of benefit has been or will be paid or given to the promoter by SFE and none is intended to be paid or given.

(ix) Save as disclosed herein or hereby (a) no Director of SFE has any interest, direct or indiffect, in the promotion of, or in any assets which have been or are proposed to be acquired or disposed of by or leased to, SFE and (b) no Director of SFE is materially interested in any contract or arrangement subsisting at the date hereof which is shortifizent in relation to the business of SFE.

ficant in relation to the business of SFE.

(x) It is estimated that the aggregate emoluments of the Directors of SFE for the first accounting period of SFE.

will be approximately US \$56.000.

(xi) SFE does not, nor is it expected to, have any employees.

(xii) Although power exists under the Articles of SFE to invest in unlisted securities, the Directors to not st. present intend to exercise this power, and in any event, if such power were exercised, such investments would not be made it as a result more than 10 per cent, of SFE's assets (before deducting borrowed money) would be invested. (xiii) Not more than 10 per cent. of SFE's funds will be lent to or invested in any one company, and no invest-

ment will be made which will result in SFE being interested in more than 20 per cent. of the equity capital of any one

Consents and Documents for Inspection

(i) Coopers & Lybrahd have given and have not withdrawn their written consent to the issue of this Prospectus. coopers at Lyonand nave given and have not withdrawn men which it is included.
 the inclusion therein of their report in the form and context in which it is included.
 The above-mentioned consent and copies of the material contracts listed above were attached to the copy is Prospectus which together with the form of Application has been delivered to the Registrat of Contracts in

of this Prospectus which together with the following documents will be available for inspection at the offices of Linksters & Paints,

(iii) Copies of the following documents will be available for inspection at the offices of Linksters & Paints,

Barrington House, 59-67 Gresham Street, London ECZY/JA during usual business hours on any weekday (Saturdays and public holidays excepted) for a period of fourteen days following the date of publication of this document:—

(i) the Articles of Incorporation and By-laws of SFE;

(ii) the material contracts listed above;

(iii) the report and consent of Coopers & Lybrand; and

(iv) Law Number 32 of 1927 of the Republic of Panama and certain sections of the Commercial Code of the Republic of Panama relating to corporations.

24th July, 1981. tre retrieppireaction applications for the Shares now being offered trust be for a minimum of 100 shares and in multiples of as up to 1,000 shares, in multiples of 500 shares from 1,001 to 10,000 shares, in multiples of 1,000 shares. 100 shares up to 1,000 shares, in montples of 900 shares from 1,001 to 10,000 shares, in montples of 1,000 shares from 10,001 to 20,000 shares and thereafter in multiples of 5,000 shares. Each application must be made on the application form provided and be accompanied by a cheque drawn in sterling on a bankin and payable in England, Scotland or Weles, or a bankers U.S. dollar draft drawn in London or a U.S. dollar cheque payable through the London U.S. Dollar Clearing Scheme, for the full amount of the subscription moneys, and be forwarded to National Westminster Bank Limited, New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD so as to strive not later than 10 a.m. on 1st July, 1981; Cheques and drafts must be made payable.

to "National Westminster Bank Limited" and sterling chaques crossed "Not Negotiable". Separate Application Forms should be used for each currency.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting this Shares to

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the Shares to be issued to the Official List not later than 31st July, 1981. Moneys paid in respect of applications will be retented if such admission is not granted by that date and in the meantime will be retained by National Westinbuster Bank Limited in separate accounts for each currency.

All chaques and drafts are liable to be presented for payment on receipt and National Westinbuster Bank Limited reserves the right to retain Letters of Allotment and any surplus application moneys pending clearance of applicants' chaques and drafts. The right is reserved to reject any application or to accept any application in part only and its particular to reject multiple or suspected multiple applications. The right is also reserved to treat as valid any applications which do not fully comply with the conditions set out in the application form. If any application is not accepted, the amount paid on application will be returned, in full and, if any application is accepted, the amount paid on application will be returned, in each case, by cheque accepted, the amount part of application will be returned in the annual paid on application will be returned, in each case, by cheque in the currency of application through the post at the application will be returned, in each case, by cheque in the currency of application through the post at the applicant's risk.

air risk by not later than 5th August, 1981 and the last date for registration or renunciation will be 28th August, Share Certificates will be deepatched by post at the risk of the person(s) entitled thereto by 18th September, Copies of this Prospectus with application forms attached may be obtained from :--

Fully paid renounceable Letters of Allotment in respect of Shares will be sent by post to successful applic

John Govett & Co. Limited, Winchester House, 77 London Wall, Hours Govett Limited.

Hunslet (Hidgs.) Db. Stepc iceland 141:pcln, £5.56

Heron House, 319-325 High Helborn, London WC1V 7PB

National Westminster Bank Limited, New Issues Dapartment, P.O. Box 79, Drapers Gardens, 12 Throgmorton Aver London EC2P 2BD

and the following branches of National Westminster Bank Limited: 208 Piccadilly,

Colmore Centre, 103 Colmore Row, Birmingham, 83 3NS Bristol, BS99 7UG WIA 2DG 55 King Street, 8 Park Row, 262 Union Street, Manchester, M60 2DB Leeds. LS1 10S Aberdeen AB1 1TP

80 George Street, Edinburch 14 Blythswood Square, Glasgow, G2 4AQ Edinburgh, EH23DZ

APPLICATION FORM

THE SUBSCRIPTION LIST FOR THE SHARES NOW BEING OFFERED WILL OPEN AT 10.00 a.m. ON 31st JULY, 1981 AND MAY BECLOSED AT ANYTIME THEREAFTER

This Application Form when completed guest be forwarded to National Westminster Bank Limited, Naw States Department, P.O. Box 79, Drapers Gardens, 12 Throgmoston Avenue, London EC2P 2BD together with a cheque/draft for the full amount psyable on application, so as to be received not later than 10,00a.m. on:31st.July, 1981. Photostat copies of Application Forms will not be accepted.

A separate cheque or draft must accompany each Application Form. Sterling cheques must be drawn on a bank in and psyable in England, Scotland or Wales. Psyments in U.S. dollars must be by bankars U.S. dollar dragt drawn in London or by U.S. dollar chaque payable through "the London U.S. 90 list Clearing Scheme. All chaques and drafts must represent payment in full at the sub-scription price, and be made payable to "National Westminster Bank Limited", with all starting chaques crossed "Not Negotiable." Application may be rejected unless these conditions are fulfilled. All chaques/drafts are liable to be presented for payment on receipt. Chaques may be in sterling or dollars. Separate Application Forms must be used for each currency

STOCKHOLDERS FAR EAST INVESTMENTS INCORPORATED

Offer for Subscription

of 8,000,000 Shares of US \$1 each at a price of US \$2 per share, or 110p per share to satisfy in full the issue price of US \$2 per share, payable in full on application

	Number of Shares applied for	Amount enclosed
For sterling applications		£
For dollar applications		\$

	Lot cooles-afficientate	<u></u>
:	70; STOCKHOLDERS FAR EAST INVESTMENTS INCORPORATED	
	I/We enclose a cheque/draft for the above-mentioned sum, being the full amount payable on application at US \$2 per Share (or 110p per Share) for the above-stated number of Shares of US \$1 each in Stockholders Far East Investments incorporated	FOR OFFICE USE ONLY
1	("SFE"), and I/we apply to subscribe that number of Shares. I/We hereby undertake and lagree to accept the same, or any lesser number of Shares in respect of which this application may be accepted; upon the terms of your Prospectus dated 24th July, 1981 and subject to the Articles and By-Laws of SFE. I/We hereby suthorise you to send a renounceable Letter of Allotment in respect of such Shares and/or a cheque for any moneys returnable to me/us by ordinary first class post at my/our risk to the address first global and an application of the Province of Manhamant.	1. Letter of Allowent Na.
-	SFE as holder(s) of the States so far as the right to such has not been effectively renounced.	2. Shares applied for
	I/We declare that due completion and delivery of this Application Form accompanied by a cheque/draft constitutes a warranty that such cheque/draft will be bonoused on	

I/We attenowiedge that renounceable Letters of Allotment and cheques for excessionally increases are liable to be held pending clearance of applicants' cheques afts.

1. Signature Dated. BLOCK . Amount recen Forecame(s) (in full) CAPITALS ORTYPE FORNAMES US\$/£ (Mr., Mrs., Miss or Title) ADDRESSES

Address (in tull) ... ALL JOINT APPLICANTS MUST SIGN AND GIVE NAMES AND payable on shares ADDRESSES BELOW. In the case of a corporation, this Form should be signed by a duly authorised officer who Patient in the US\$/£ _ Post Code_ should state his representative 3. Amount retur US\$/£

2. Signature. Forename(s) (infull)... (Mr., Mrs.; Missor Title) B^{-1} 7. Return Cheque No. Address Post Code 3. Signature. Forename(s) (in full)... & Split No. (Mr., Mrs., Miss or Title) Post Code,

Forename(s) (in full)... Sumaine (Mr., Mrs., Miss or Title) NO RECEIPT WILL BE ISSUED FOR THE PAYMENT ON APPLICATION, but an

acknowledgement will be forwarded through the post in due course, at the risk of the applicant(s), either by a fully paid Letter of Allotment for all the sharesapplied for, or by a fully paid Letter of Allotment for the sharesaccepted and a chaque in the relevant currency for any surplus subscription moneys, or by the return through the post of the subscription moneys.

And the second of the second of the second

9. Registration No. 10. Share Certificate No. **COMPANY NOTICES**

Chemical Bank, as Depositary the "Depositary" onder the Deposit Agreement dated as of February 15th, 1970, among Tokyo Silbaura Electric Co., Ltd., (the "Company"), the Depositary and the halders of European Depositary Receipts the "Receipts ") is stude thereunder in respect of shares of Common Stock, par vause 50 Yen per share, of the Company (the Common Stock, par vause 50 Yen per share, of the Company the Common Stock, par vause 50 Yen per share, of the Company the Company held in Tokyo, Japan, on 26th June, 1981, such stockholders of the Company held in Tokyo, Japan, on 26th June, 1981, such stockholders approved the payment of a dividend of 2 Yen per share of Common Stock.

The Dividend on the shares of Common Stock of record on Deposit with the Company on account of Japanese Taxes, has been received by the Company on account of Japanese Taxes, has been received by the Cistodian is agent for the Depositary, and, pursuant to the provisions of such Deposit Agreement, has been converted into United States Dollars at the rists of 229-567 Yen per United States Dollar.

The Depositary has been advised by the Company that Japan is a party to international agreements with Australia. Selgium, Canada, Demant, France, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany, Maleya, New Zaaland, Norway, Singapore, the Federal Repoblic of Germany that Depositary in the party of the Company of the Persons of such countries and companies organised theremost the federal conditions relating to the currying on of scade or business in Japan, Persons not so entitled to a 15% tax withholding rate of 15%. It is necessary that the surreader of Coupon No. 42 be accompanied by a properly complete pon its request.

It unless States Dollars of the amount of the dividend payable at the office of the Depositary in London or at the office of any 3 Agent listed below upon surrender of Coupon No. 42.

DEPOSITARY'S AGENTS

CHEMICAL BANK 180 Strand, London WC2R 1ET, ENGLAND.

propriate in the circumstance to assess such another an attention at a reductions, a reductions, a reductions, a reductions, as received to result to the Company, shortly after 31st October 81 the excess reactived by the Custodian over 80% of the dividend payable of allocable to obsurrendered Coupons No. 42s.

As a result, persons sorrendering Coupon No. 42 after such date will be titled to receive from the Depositary or any Depositary's Agent a dividend which a 20% tax withholding rate has been applied and, for critical to a "6% tax withholding rate has been applied and, for critical to a company for an additional 5%, Such application may, neither the torough the torough the benefit and the population of the Coupany for an additional 5%, Such application may, neithers with the torough approximate, be made through the Depositary.

COMPANY ANNOUNCEMENT

999

WESTERN HOLDINGS LIMITED (Incorporated in the Republic of South Africa)

GENERAL MEETING-DIRECTORS' BORROWING POWERS

CLOSING OF REGISTERS

For the purpose of the general meeting of the company to be held at 44 Main Street, Johannesburg, on Friday, August 21, 1981, at 10h00, to consider increasing the directors' borrowing powers, the transfer register and register of members will be closed from August 15 to

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

per R. S. EDMUNDS

London Office: 40 Holborn Viaduct London ECIP 1AJ

Charter Consolidated Limited Park Street Ashford

INSURANCE

APPOINTMENTS

contracting companies within the

patrick, who was most recently

managing director of Firestone

United Kingdom.

Finance and Planning.

TIONAL, Luxembourg. Mr Orn Johnson has resigned from the

board. Mr Johannes Einarsson

has become senior vice-president

Sir Alastair Down has been

appointed to the Board of the ROYAL BANK OF CANADA.

Sir Alastair is chairman of the Burmah Oil Company.

MIDLAND BANK has up-graded its representative office

in Madrid to a full branch. Mr

Jacques de Mandat-Grancey.

who continues as co-ordinator

southern European region, is appointed chief manager.

appointed manager of NATIONAL WESTMINSTER

BANK's New York branch. He

succeeds Mr John Crossman

who is returning to the UK on completion of his tour of duty. Mr Kiltoyle was deputy

manager of Manchester city

Mr Peter Kilfoyle bas been

maintenance and engineering.

MPs' new queries over Lloyd's Bill

N.V. PROPLICH-HOLLANDSCHE BRIEGGINGS TRUST (English and Dutch Investment Trust) Established in Amsterdam

Established in Amsterdam

Motifice is Hereby Given that a
Motifice is Hereby Given that a
Motifice of Holders of Ordinary Shares
of the above Company will be held
at Sarphalistrant 14s. Amsterdam on
Friedy September 4th 1981 at 2.30
ordick in the afterboos. A Copy of
the resolution to be put before the
meeting is available to holders of the
Company, Sarphalistrant 14s. Amsterdam from today until the day of the
Meeting.

Meeting. NOTICE IS HEREBY GIVEN that General Meeting of Shareholders of th

ACTUAL IS PIRKEST GIVEN THE COMMENTARY OF THE COMMENT OF THE ADDRESS OF THE ACTUAL OF THE COMMENTARY O

Hill Samuel & Co. Ltd. 45 Beech Street, London, EC2

GRINDLAYS EUROFINANCE

B.Y.

US\$25,000,000

Guaranteed Floating Rate

Capital Notes 1988

NOTICE IS HEREBY GIVEN

that the Rate of Interest has

been fixed at 1978% p.a., and

that the interest payable on the relevant Interest Payment Date, January 27, 1962, against Coupon No. 3 in respect of US\$10,000 nominal of the Notes

By: CITIBANK N.A., London,

NORTHERN PAPER MILLS CO.

CITY OF BRISTOL

VARIABLE RATE REDEEMABLE

The Council of the City of Bristol amountes that the half-yearty payment of Inbrest on 1st November, 1981 on 57.00 (less income tax) per £100 of stock.

EVE has outlived the others because of policy of fair play and value for money Supper from 10-3.50 am. Disco and to musicians, glamorous bostesses, outlide floorshows, 188, Regent St. 734 0557

GARGOYLE, 69. Dean Street, London, WI.
NEW EROTIC FLOORSHOW

"CLOSE ENCOUNTERS"

11-3-30 am. Shows at Midnight and 1 am.
Mon.-Fri. Closed Saturdays. 01-437 6455.

PUBLIC NOTICE

VARIABLE RATE REDEEMABLE STOCK 1983

24th July, 1981.

USSS.300.000 64% 15 YEAR
GUARANTEED LOAN 1967
bros Bank Limited advise that the
a to bondbolders of the above Issue
appeared of the 21st July, 1981,
incorrectly captioned as follows:
NORTHERN PAPER MILLS:
USSS.300.000 65% 15 YEAR
EXTERNAL LOAN OF 1967
HAMBROS BANK LIMITED

will be US\$980.67.

July 27, 1981

CLUBS

Agent Bank,

Amsterdam July 27th 1981

for the community last week.

Lloyd's had resisted a recom- with his wishes." mendation by the Commons be amended to preclude manag-ing agents (the groups which run underwriting syndicates at Lloyd's) from acting as member's agents (the groups which recruit new members to Lloyd's and place them on syndicates). Since most managing agents perform a members agency

was concerned about the conflict of interest. Although Lloyd's managed to persuade Parliament not to press this recommendation, Lloyd's agree to a thorough inquiry into the agency system

in the market. The matter did not stop there. Mr Michael Meacher, Labour MP for Oldham West and chairman of the committee, told Lloyd's that the committee was concerned with the relationship of Lloyd's insurance brokers with members agencies. Many A register of underwriting large members agencies are run agents should be divided into

by Lloyd's brokers. Mr Meacher reminded Lloyd's last week that its chairman, Mr Peter Green had said during the committee stage: "that the whole of the agencies system at Lloyd's requires detailed exami-

".מnation He added: "Some of the things I have been saying about what I believe should be done in the future with regard to the control of managing agents and the separation of the control from broking is equally applicable to members agencies

Commons committee took Mr Green's point. It recognises that while Lloyd's has agreed to follow its recommendation on managing agency companies, the brokers are to be able to retain their members agency companies. Mr Meacher noted that Sir

Henry Fisher, in his report on self regulation at Lloyd's, had not recommended a separation of broking and members agency functions. But the Commons committee has decided to take the matter further and asked Lloyd's to give an undertaking to review the whole of the agency system, particularly the relationship between members agencies nad brokers, with "an eye" to separation.

In his report Sir Henry

THE HOUSE of Commons com- Lloyd's broker can still exercise mittee reviewing the Lloyd's Bill pressure on a managing agent for reforming the Lloyd's insur- through control of a members ance market's powers of self- agency "by threatening to take regulation posed fresh problems away his members names if the managing agent does not comply

Sir Henry concluded that the committee that its Bill ought to pressure was not direct. To reduce the danger of any pres sure he recommended that "there should be a limit on the percentage of a managing agent's stamp which comes from any one member's agent."

This would limit the amount of capacity that any one member's agent could provide. It is function at Lloyd's, Parliament a recommendation which Lloyd's is likely to be reviewing. . The Commons committee was

concerned about the standards of the agency system. Lloyd's gave undertakings, after reaching agreement with petitioners who were seeking changes to the Bill, that more detailed disclosure would be made to underwriting members about their affairs and that auditing standards on syndicates would be improved.

The Fisher report recommended that:

two parts, one for members agents and one for managing agents. Agents who both managed syndicates and placed members on syndicates managed by other agents would have to register in both parts.

 Lloyd's should demand a high standard from applicants for registration as members agents; • When considering any re-

newal of registration as members agent, Lloyd's should investigate the agent's capacity to serve members, the quality of service given and the method of recruiting new members. Members agents should be required to inform all the members for whom they act of any change in

• The ownership and/or control of the agency;

• The membership of the board of the agency.

The report also said that Lloyd's should encourage members agents to ensure that:

 Wherever possible at least one director should be a member of every syndicate on which four or more of the members agent's recruits have been placed: Those members agents which

are companies should have on their board of directors at least Fisher had observed that a one non-executive director.

New Marconi offshore post

MARCONI AVIONICS, a GEC Royal Bos Kalis Westminster Mr G. Gillespie and Mr E. C. larconi Electronics company, Group and principal partner of Turk have been appointed as appointed Mr A. Granville Granville Morgan and Groves general managers of UNITED Marconi Electronics company, has appointed Mr A. Granville Morgan to the newly created position of marketing executive Associates. for its offshore projects group at Nailsea, Bristol. He will report to Mr C. J. Frost, manager of Mr Malcolm Parkinson,

managing director of DWK, is leaving that company to become the Nailsea operation. Mr Morgan was formerly executive director of a number of offshore the first marketing director of

Woolworth and Company.

OVERSEAS Mr Gilbert H. Neal, at present vice-president for Europe and Africa of FIRESTONE INTER-Mr David R Hoyer, president Gulf Oil Company-Inter-NATIONAL COMPANY, has national, has assumed the additional responsibilities of been appointed vice president Asia/Africa from September 1. He will be based in Akron, Ohio. Mr Neal will be replaced executive representative, Europe, for GULF OIL CORPORATION.

as vice-president for Europe area Mr Earl L. Huntington, senior operations by Mr John F. Fitzvice president and general counsel of TEXASGULF INC., U.S., has been elected to the

Mr B. D. Watson, managing director of MIM HOLDINGS, Brisbane, Queensland, has be come chief executive officer of appointed resident representative in Frankfurt. He takes over from Mr Michael Buneman, vice-president, who moves to the Madrid branch where he will the company. He succeeds Sir James Foots, who has retired from that position but remains as a non-executive director and be regional representative for Spain. Dr Salim Al-Hoss, Prime Minister of Lebanon from 1976 to 1980, has been appointed chair-man of COMPAGNIE ARABE ET INTERNATIONALE D'IN-

Mr Thomas J. Ryan, formerly senior vice-president of the Wheelabrator-Frye energy divi-VESTISSEMENT, parent com-pany of the Paris-based Arabsion, has been made senior vice-president, administration, for the newly-formed KELLOGG Western consortium banking group, BAIL A former economics professor at Beirut's American RUST in Houston. Kellogg Rust is a holding company designed University, he takes over from Mr Abolatif Al Hamad, who has been made Kuwaiti Minister of to co-ordinate and direct the worldwide engineering and construction operations of Wheelabrator - Frye Inc. - of struction : Hampton, New Hampshire. Mr Nico Schaeffer. Mr L. A. Enzyed, Mr G. M. Bjorgvinsson and Mr Bergur Gislason have been elected to the board of CARGO AIRLINES INTERNA-

Mr G. Gillespie and Mr. R. C. DOMINIONS TRUST with responsibility for the point of

sale and direct loans divisions respectively. Mr. L. A. Miller, 2 general manager, will head UDT's commercial division. UDT B AND Q, a subsidiary of F. W. is now part of the TSB Group.

> elected president of the executive board of FACTORS CHAIN INTERNATIONAL. This is the first time an Austrian has been elected to head the organisation.

> > Mr Nicolas Enrique Ruiz Guiffaru has been appointed chairman of BANCO DE LA NACION ARGENTINA.
> > Lorenzo Adolfo Raggio become deputy chairman.

Mr Hans Seidl, assistant vicepresident of the BANKERS
TRUST COMPANY has been appointed to the newly created position of vicepresident, U.S. equipment sales and service of MEMOREX

appointed resident representative INTERNATIONAL, a subsidiary of Memorex Corporation, California.

> Mel Wellerstein become vice-president, marketing for the peripherals division of PERTEC COMPUTER COR-PORATION California, succeeding Mr William T. Chambers who has taken up another appointment

NATOMAS COMPANY, of San Francisco, has appointed Mr David R. Loar as vicepresident and Mr Paul J. King as vice-president for its energy subsidiary. Natomas Energy Company. Mr Michael J. Furtney has become senior vice president for Natomas Coal Company Dr Wilhelm Pruckner has been based in Roslewood. Colorado.

Public Works Loan Board rates Effective July 25

by BP1 151 16 164 Over 10, up to 15... * Non-quota loans B are 1 per cent higher in each case than

non-quota loans A. † Equal instalments of principal. † Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

LOCAL AUTHORITY BOND TABLE

Annual Interest - Life gross pay- Minimum of Authority interest able sum bond (telephone number in parentheses) 13} }-year 5,000 6-10 Basildon (0268 22881) ... i-year 1,000 1-3 Knowsley (051-548 6555) 124

World International (Holdings) Limited 1980/81 Results

The Board of Directors of World International (Holdings) Limited ("World International") is pleased to announce that total profit attributable to shareholders for the year ended 31st March, 1981 amounted to HKD 346,541,000, representing an improvement of 365 percent over HKD 74,574,000 for the prior year and earnings per ordinary share of 48.6 cents. Profit before extraordinary items increased by 203 percent to HKD 225,886,000 from HKD 74,574,000. Earnings per ordinary share before extraordinary items of HKD 120,655,000 were 30 cents (1979/80 — 23.7 cents on an adjusted basis), being 50 percent over the Directors' forecast of 20 cents as stated in the rights issue document dated 20th May, 1980 when World International took up a 30 percent interest in the Hong Kong and Kowloon Wharf and Godown Co. Ltd. ("Wharf").

The Board is recommending a final dividend of 8 cents per ordinary share, absorbing HKD 80,477,000 and a special non-recurrent dividend of 6 cents per ordinary share, absorbing HKD 60,358,000. Together with the interim dividend of 4 cents per ordinary share paid in January 1981, the total recurrent dividend of 12 cents per ordinary share represents an increase of 41 percent compared to the 8.5 cents per share paid for the previous year on an adjusted basis and 20 percent over the Directors' forecast in May last year of 10 cents. The final and special dividends will be paid on 8th September, 1981 to holders of ordinary shares on record as at 28th August, 1981.

The Board is also recommending a free scrip issue of ordinary shares and convertible deferred shares to holders of the respective classes of shares in the ratio of one share for every five shares held on 28th August, 1981.

The Annual General Meeting is convened for 28th August, 1981. The Register of Members will be closed from 19th August, 1981 to 28th August, 1981, both days inclusive, and in order to qualify for the above dividends and free scrip issue all transfers, accompanied by the relevant share certificates, should be lodged with the Company's registrars, Central Registration Hong Kong Limited, not later than 4.00 p.m. on 18th August, 1981.

During the year under review, the Company acquired a 45 percent interest in Wharf and also effectively the entire issued share capital of Eastern Asia Navigation Company Limited. This year's financial reports will reflect for the first time the new corporate entity after the series of acquisitions made during the year. Total shareholders' funds increased 936 percent from HKD 441.4 million as of 31st March, 1980 to HKD 4,570.8 million as of 31st March, 1981, of which 66 percent are in Wharf and other non-shipping related investments. Total tangible assets increased by HKD 7,065.7 million to HKD 8,217.8 million and total consolidated indebtedness of the Group as of 31st March, 1981 stood at HKD 3,701 million or 45 percent of total tangible assets. a significant reduction from the previous year's ratio of 62 percent.

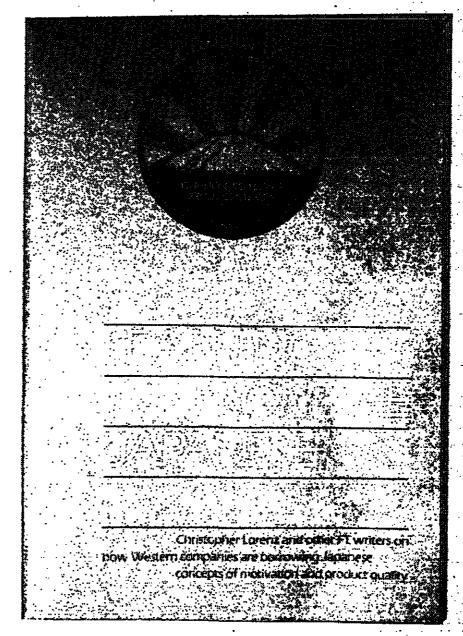
As the interests in Wharf were acquired in various stages on different dates during the year effectively 17 percent of Wharf's earnings for the year ended 31st December, 1980 were taken into the accounts of World International for the year under review, contributing about 21 percent of the Group's total earnings in 1980/81. The strong earnings and cash flow of the Group's well-chartered fleet provided the main portion of World International's excellent earnings this year, while Wharf's potential for earnings growth and asset appreciation should make significant contributions to the Group's future performance.

For the current year, the Board feels confident that further growth in earnings will be achieved and in the absence of unforeseen circumstances, recurrent dividends per ordinary share on the capital as increased by the proposed bonus issue are expected to be maintained at the same level as those paid in the year 1980/81.

By Order of the Board, World-Wide Secretaries Limited Secretaries

Hong Kong, 24th July, 1981.





Join the Quality Circle

Western businessmen have argued for years that Japanese management practices will not work in American and European companies.

But in an attempt to improve employee motivation, productivity and quality, hundreds of them are now encouraging small groups of employees to band together in what the Japanese call 'quality circles.'

Earlier this year the Financial Times

published a series of eight articles examining this phenomenon and the West's growing concern for product quality. Now reprinted as a 24-page booklet containing the complete series. plus four earlier articles on 'quality

Available at only £2 including postage and packing, please send cheques or postal orders payable to the Financial

Diana Twaites

Publicity Department Financial Times Bracken House 10 Cannon Street London EC4P 4RY

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	251: 171s Beatrica Foods 21& 181: 145s Emery Air Fgt. 161: 385; 32 Beckman Instr 341; 383; 281; Emhart 521; 241; 113; Beatrica Instr 221; 181: 152; Beatrica Instruction Instr	34% 1956 Kaneb Services 25% 35% 25% 26% Petrie Stores 31% 15% Kaufman Brd 1578 25% 25% 17 Petrolane 18% 27% 15 Kay Corp 16% 54% 45% Pfizer 47% 24% 1958 Kellogg 1979 48% 31% Phelps Dodge 41% 42 25% Philbro 27% 25% Philbro 27% 25% 25% Philbro 27% 25%	274 21 Trane 2614 62 451g Patino 54 1972 1973 1973 1973 1973 1973 1973 1973 1973	1981
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ı	393c 217s BP. 2254 351 355 Fed. Resourses 354 351 35	25ts 1954 Prentice Hall 24ts 25ts 1954 Prentice Hall 24ts 25ts 25t	451s 287s Union Oil Cal	275 186 Sandvik 250 4,180 2,380 Pioneer 4,280 502 315 Skandla 502 890 600 Ranown 35 195 131 Skan Eneklida 189 1,060 566 Ricoh 1,010 140 84,58K 189 1,060 379 Sanyo Elect 645 310 207 St. Kopparberg 299 275 231 Sapporo 255 645 100 645 288 28
	181a	4445	3514 20 US \$fios	1981
	35 2712 Campbell Red 2778 2612 19 Ford Motor 2212 34 2318 Campbell Tagg 34 40 3178 Foremost Mot. 8518 4519 25 Canal Randolph. 341 4519 50 Foxtor Wheeler 17 4514 3558 Can. Pacific 41 4012 30 Freeport Mod. 3513 353 2659 Carnation 3612 3612 3613 3613 3613 3613 3613 3614 3614 3614 3614 3615 3	57 455g MCA	1412 Vernitron	2,795 2,285 Elektrowatt
;	723 548 Caterpillar 641s 641s 643s 551s Celanese Corp. 611s 451s 245s Gennet. 383s 421s 291s Centex 31 32 205s Gelco. 265s 17 11 Central Soys. 12 361s 27 26 37 37 37 37 37 37 37 3	23	2478 20 Warner-Lambt 20 302.0 268 Bayer Verein 276 278 2812 1942 Washington Post 27 205.5 179.0 BHF Bank 192 3712 Weis Mkts 35 201 143.5 BMW 187 278 278 Weis Mits 45 285 286.0 Brown Boveri 276 277 278 279	4,625 3,850 Sandoz (Br)
	111 859 Ciramp Sp Plug 1014 5738 44 Gen Motors 4812 1914 1914 1914 1914 1914 1914 1914 19	2315	301e 188g Westvace	16,975 14,800/Zurleh Ins
	211g Cittoorp 25 311g 241g Georgia Pac. 251g 25	1114 778 McLean Trukg 958 6519 4319 Sabine Corp	10	2.00 1.40 Ampol Pet. 1.44 0.80 4.80 UNA INVESTS 0.25 2.05 Assoc. Pulp Pap. 2.32 2.65 1.90 Curris Finance. 2.20 10.90 8.55 De Bears 8.85 2.40 1.86 Aust. Cons. Ind. 1.88 55.00 24.76 Driefontain 31.00 35.67 8.60 35.67 35.67 8.60 35.67 8.60 35.67 8.60 35.67 8.60 35.67 8.60 35.67 8.60 35.67 8.60 35.67 8.60 35.67 3
•	indices	66½ 477g Meredith	Sele 221g Zapats 291g 156g 151, 147g Zanith Radio 156g 151, 147g Zanith Radio 156g 151, 151	4.00 5.12 Boral
	NEW YORK -DOW JONES 1981 Since Cm'pil't' 24 25 22 21 20 17 Migh Low High Low Industr'is 956.74 928.56 924.86 934.46 940.56 958.80 1024.05 924.66 (22/7) I'me Brids 58.74 58.88 59.76 58.81 60.01 80.28 55.78 55.78 76.57 (7.57)	July July July July 1981 24 23 22 21 High Low AUSTRALIA All Ord. (17/89) 898.2 842.8 544.8 856.5 757.5 (6/4) 840.2 (24/7) Metal & Minrls. (1/189) 517.2 517.2 518.7 551.8 755.2 (7/1) 517.2 (24/7)	1981 July 24 Price 297 219.58chering 297 259.0 244 Siamens 250.1 277.0 69.0 181.5 276 328 Landerbank 328 140 131.5 Varia 195 140 276 243 Perimoceer 258 226.0 262 Versin-West 270 251 204 Steyr Daimler 205 250 Versicher Mag 250 250 Versicher Mag 250	5,85 2,85 Castlemaine Tys. 2,85
7 7	Transport. 402,17 406,87 402,85 406,88 495,16 411.40 47.58 779,18 447,38 12.23 (20/2) (16/4/8) (27/62) (27/62) (27/	AUSTRIA Credit Aktien (2/1/92) 58.54 58.10 58.78 58.71 68.45 (6/1) 58.10 (25/7) BELGIUM Belgiam SE (5//12/85) 72.75 72.87 75.16 (c) 88.16 (17/2) 89.55 (18/6) DENMARK Oppenhagen SE (1/1/75) 114.45 174.28 174.68 714.49 118.21 (6/7) 85.88 (2/1)	BELGIUM/LUXEMBOURG 1981	8,00 5,10 Crusader ell 6.70 1.40 0.76 Acesita 0.90 1.40 1.04 Dunlop 1.06 1.90 0.76 Acesita 0.90 1.76 2.85 Elder Smith GM 4.35 5.70 3.05 Banco Brasil 5.62 0.85 0.45 Endeavour Res. 0.45 1.57 1.40 Banco Itau 1.55 1.85 1.40 Gen Prop Trust 1.70 3.55 1.90 Beigo, Min 2.00 4.55 2.85 Hamersley 3.90 3.79 3.80 Lojas Amer 3.76 3.76 4.95 1.70 Hartogen Energy 7.20 3.45 2.12 Petrobras PP 3.50 5.90 1.50 Hooker 1.45 1.70 1.05 Pirelli OP 1.05 Pirelli OP 1.45 1.75 1.95 1.95 Pirelli OP 1.45 1.75 1.95 Pirelli OP 1.45 1.95 1.95 Pirelli OP
-	ind, div. yield \$ 5.70 5.72 5.69 5.72 TANDARD AND POORS 1981 Since Ompil't's	FRANCE CAC General (29/12/61) 58.5 88.2 86.9 86.5 112.5 (17/6) 77.5 (15/6) frid Tendance (51/12/89) 95.1 95.4 91.9 188.8 (15/3) 79.2 (12/6) GERMANY FAZ-Aktien (51/12/69) 241.07 240.09 238.25 258.68 243.47 (5/7) 215.88 (8/2) Commerzbank (Dec. 1955 769.5 769.8 759.7 724.8 749.0 (5/7) 889.4 (16/2)	\$000 \$200 \$200 \$200 \$200 \$200 \$255 \$250	1,55
	Indust'is 144.75 145.58 148.20 144.65 145.01 147.24 187.82 145.29 180.95 5.82 (22/7) (28/11/20)(30/16/22) Composite 128.49 127.40 127.75 128.54 129.72 150.76 158.12 125.58 148.62 4.40 (6/1) (20/2) (28/11/88 (1/8/22) 1.10	Hang Seng Bank(61/7/84) 1588,5 :1898.75,1752.94 1762.38 1810.28 (17/7) 1285.44 (11/6)	1470 1182 Gevaert 1,336 1,235 858 B3N Gervals 1,088 2680 2100 Hoboken 2,200 1,898 1,515 Carrefour 1,663 1869 985 Intercom 1,030 1512 356,0 Club Mediter 612 356,0 Club Mediter 612 3560 4275 Kradietbank 4,550 435 252 CGE (Thomson) 276 277 277 278 2	3.62 2.65 Nat Bank 2.78 4.00 2.60 1.700 1.28 Nicholas Int 2.60 1.70 1.28 Nicholas Int 2.65 1.50 2.65 North Bkn Hill 2.95 2.78 2.05 Oakbridge 2.22 United Mizrahi Bank 785 485 1.70 0.80 Otter Expl 1.00 11.90 5.80 Pancon 5.70 5.70 1.70 5.70 1.70
In	nd. div. yield 2 4.96 4.83 4.90 4.79 nd. P/E Ratio 9.10 9.51 9.16 8.20 ong Gov. Bond yield 1.3.85 13.14 13.10 10.14 N Y.S.E. ALL COMMON July 23 July 24 July 23 July 25 Jul	Banes Comm Hal (1972) 186.4 189.57 192.59 194.61 292.05 (5/6) 189.4 (24/7) JAPAN Dow Average (18/6/49) 7743.08/7717.07/7768.84/7768.76 7926.54 (6/7) 8868.82 (15/6) Tokyo New SE (4/1/68) 587.4 585.55 587.77 587.81 595.18 (13/7) 486.78 (5/1) NORWAY Oslo SE (1/1/72) 785.2 129.27 128.18 124.27 135.2 (24/7) 118.54 (5/6)	1,290 870 Soc Gari Belge 950 214,9 109,1 CCF 122 123 3,040 2,010 Sofina 2,300 3 31,4 Creusot-Loire 47,90 2,480 2,010 Solvay 3,015 243,2 90,5 CPP 130,30 32,70 1,336 952 UCB 1,144 1,105 764 572 Union Minière 604 1,270 980 Vieille Mont 1,270 474,5 325,5 Gen Cooldenial 466	2.55 1.90 Pioneer Conc 1.90 0.52 2.96 2.50 Queen Marg't G. 2.50 Reckitt & Coln 2.50 4.20 Erael Land Development Africa Israel inv. G.T 2.650 4.320 Erael Land Dev. Br 1.635 4.165 0.80 0.40 Southland M'n'g. 0.65 0.80 0.57 Spargos Expl 2.70 2.22 Thos Natwide 2.70 Erael Corp 945 4.20 Erael Corp 945 9.20 Erael Corp. 945
74	1981 1982 1,878 1,868	SINGAPORE Straits Times (1958) \$68,5 850,97 851,18 655,87 878,26 (28/6) 659,51 (2/1) SOUTH AFRICA Gold (1959) 558,7 562,2 562,6 552,9 797.6 (7/1) 478,6 (6/1) Industrial (1956) \$18,1 688,1 568,4 667,5 655,5 (1/5) 557,2 (6/2) SPAIN	DENMARK 300 246 Lafarge 291 720 1,685 1,165 Lagrand 1,470	0.88 0.30 Valiant Conset 0.30 0.90 0.78 Waitons 0.90 0
:	July	SWEDEN Jacobson & P. (1/1/68) 587.2 585.88 585.05 585.28 581.84 (2/7) 484.17 (28/1) SWITZERLAND SWISSEankCpn. (31/12/68) 286.5 284.5 286.5 286.7 584.2 (2/4) 279.3 (27/5) WORLD!	381.5 528.5 D. Sukkertab	1981 July 24 Price 5 High Low 7,50 5,40 3,42 Cold Storage 4,32 9,65 6,35 DBS 7,60 5,25; Frazer & Nesve 6,00 Tell Aviv.
Co Te Ma	Change Change Change Friday Stocks Closing on Stocks Closing on traded price day onoco	Capital htt. (1/1/78) 149,5 ! — 149,0 . 150,9 162,8 (9/1) 149,0 (25/1) Base values of all indices are 100 except Australia All Ordinary and Matalemon NYSE All Common—50; Standard and Poors—10; and Toronto—1,009; the	1.749 680.0 Novo Ind	5.55 2.75 Haw Par 4.26 4.20 2.87 Incheape Bhd 2.87 9.90 4.65 Malay Banking 7.30 7.75 5.40 Malay Brew 7.20 16.5 11.30 OCSC 11.30 5.05 5.55 Sime Darby. 4.06 and are lest traded prices. \$\tilde{x}\$ Dealings auspended. xd Ex dividend. xc Ex scrip 1.35 4.18 UOB 5.65
:			•;	

Sales rise to new peaks at Revlon

BY OUR FINANCIAL STAFF

RECORD SALES and net earn- tial increases in turnover. At ings, also diluted, at \$1.17 coming from similar sales over ings are reported for both the the half-way stage, sales were against \$1.23. second quarter and first half of 18 per cent ahead at \$1.1bn, the current year by Revlon, the but net earnings, at \$92.5m leading name in the retail show a mere 2.6 per cent gain. sales in the second quarter, also major earners. cosmetics market. At the share share earnings, fully diluted, despite the continued adverse level, however, earnings are stand at \$2.14 against \$2.34 last impact of currency. lower, chiefly because of the

CBS offers

CBS operator of one of the

of the U.S. District Court for the Southern District of New York for approval, calls for CBS to sell the division within

two years.
The suit stemmed from the

company's acquisition of Faw-

cett Publications, a publisher of paperback books, for \$50m in 1977.

claimed in its suit that the

acquisition would lessen competition or create a monopoly

in the paperback book market.

As part of the proposed settle-

ment, CBS also agreed not to-

acquire another paperback

publishing company for 10

Federal authority

anti-trust

disposal

a Federal anti-trust suit.

closed by the minor gains in period. Earnings put on 1.4 per beauty products sold in the U.S., earnings levels during the rest profits established on substancent to \$50.1m, with share earn- with a further 10 per cent of the decade.

The company achieved an 8.8 ing the Coburn and Barnesper cent after-tax return on Hind ophthalmic products were

non-comparable features of the preferred stock issue in May off in the second quarter when profits to turn in a total of time. Buttressed by the health 1980.

Sales were beginning to ease up a further substantial gain in year, compared with \$4.87 last profits to turn in a total of time. Buttressed by the health the total of \$572.6m was 11.3 \$192m at the net level. The Tightening margins are dis- per cent up on the comparable bulk, (46 per cent) came from to establish further record

seas. Health products, includ-

Earnings of around the \$5.25 a share mark have been fore-In fiscal 1980, Revion chalked cast by Wall Street for this

Two directors resign at CMB

resigned. The two, Wong Yui-Nam and Wong Yan, had sold shares worth about 8 per cent of the company to Paliburg Investments, which this week announced a partial, HK\$472m (US\$83m), bid for control of CMB, one of Hong Kong's two big bus companies valuing it at three major U.S. television networks has agreed to sell its Popular Library Books division under a proposed settlement of big bus companies, valuing it at HK\$1.3bn. The proposed settlement, submitted to Judge Pierre Leval

It has become clear that the Government-appointed directors ing house, is chairman.

TWO DIRECTORS of China Paliburg bid is to be hotly con- - claimed the support of Motor Bus (CMB) have tested, and the issue is likely to "shareholders well in excess of be decided by the general shareholders. The CMB board has over 20 per cent. The two

Paliburg is making the bid The board — which after the through a wholly-owned subresignations consists of members sidiary, Athloe, of which Mr of the Ngan family, plus one W. R. A. Wyllie, former chairremaining members of the man and chief executive of Wong family and the two Hutchison Whampoa, the trad-

Rizzoli ruling upheld

vision stations might be allowed gramme produced by the Riz-to match the state-controlled zoli group on local private trans-RAI in offering a national independent television network

Rizzoli was challenging a legal injunction obtained by the stations, which at the last count RAI against the broadcasting of totalled 972.

HOPES that Italy's private tele- a single nightly news pro-

The court upheld an earlier have received a severe setback ruling giving only RAI the as a result of a decision by the Italian Constitutional Court against the Rizzoli publishing the number of channels occupied by RAI is greatly outnumbered by those of private

The deal is for HK\$1.90 per

Hutchison Whampoa in minority deal

By Our Hong Kong Correspondent HUTCHISON WHAMPOA has announced an agreed HK\$44m offer for the 22.59m minority shares in Hutchison-Boag, its general merchanting and engin-eering subsidiary.

share, or some HK\$42.9m (U.S.\$7.5m), plus a terminal dividend of 5 cents.

CURRENCIES, MONEY and GOLD

Time for some plain talking

interbank rates to an interested extent. As long as they remain onlooker from another world. you may have forgiven him for assuming that MLR stood at 14 Since the beginning of July onejust under 12 per cent to around 141 per cent with the threeexclude short term rates from deal of uncertainty in

2.2540-2.2710 5.03-5.07\2 74.05-74.60

4.52-4.55¹, 120.30-122.00

181.70-183.00 2,248-2,268 11.33-11.43

IF YOU had shown Friday's this upward trend to a certain market. A good example was rate weapon to defend sterling close to 13 per cent banks seem likely to resist an increase in

With Bank of England operaper cent and not 12 per cent tions becoming more open some parties have not been slow to month interbank has risen from criticise what they see as a rather stumbling approach to to 141 per cent. Well aware that operating under exceptional con-

THE POUND SPOT AND FORWARD

1.8635-1.8645 0.95-1.05c dis 2.2680-2.2700 1.30-1.40c dis 5.06's-5.07's 3-1-c pm 74.40-74.50 37-47c dis

11.43-11.42 10.81\(\frac{1}{2}\)-10.82\(\frac{1}{2}\) 7-8c dis 9.68\(\frac{1}{2}\)-1.69\(\frac{1}{2}\) 7-8c dis 1-1\(\frac{1}{2}\)-1.60\(\frac{1}{2}\) 90-2.50\(\frac{1}{2}\) 90-2.50\(\frac{1}2\) 9

Belgien rete is for convertible francs. Financial franc 78.85-78.95. Six-month forward dollar 3.65-3.75c dis. 12-month 5.05-5.25c dis.

THE DOLLAR SPOT AND FORWARD

2.90-2.50y pn

14.261-14.275 1.2485-1.2495

2,264-2,266 11.41-11.42

17.15-17.19 17.15-17.16 2.1010-2.1150 2.1040-2.105 † UK and Iroland are quoted in discounts apply to the U.S. do

the announcement of an additional £800m of Treasury bills to offset petroleum revenue tax payments due on September While such a move appeared also to offset an expected surplus of funds this week) it rather stumbling approach to did little to allay fears of market management. But it is another interest rate bonanza fair to say that the Bank is and served to unsettle an month rate up from 124 per cent treading pastures new and is already nervous market.

10 141 ner cent. Well aware that operating under exceptional cou-

justification in using the interest guessing game,

in sterling may pose as many problems as it solves. So most eyes will focus on the clearing banks who will no doubt accent with some embarrassment the increase in profits resulting from any rise in base rates. With all the uncertainty in

the market last week it may be that a lot of nervousness and heartache could have been avoided had the authorities come the water is lapping close to the ditions not helped by a continuatop of the dam, the Bank of tion of the civil service dispute money supply is under control, rather than allowing the market
England has so far managed to and so there remains a good say some, then there is no to play a rather unpleasant
in the distinction in using the interest guessing game,

									
Gold Bullion (fine cunce)									
Close	44 07,50	(£218-219) (£2184-2194) (£219,795) (£218,851)	\$4061 ₂ -4081 ₃ \$408-410 \$410.50 \$407.75	(\$219-220) (\$218-219) (\$219.871) (\$219.657)					
		Gold Coins							
Krugerrand	\$21634.21734 \$11012-11112 \$45.46 \$418.421 \$102.10234 \$114-116 \$114-116 \$107-113 \$507-511 \$394.398	(£226.236½) (£116½-116½) (£59¼-59¾) (£24.24½) (£24½-55¼) (£60½-61½) (£60½-61½) (£50½-61½) (£7½-60½) (£27½-274½) (£21½-213½)	\$420.421 222-223 \$110-111 \$45-46 \$417-418 \$10212-10312 \$1144-11632 \$1144-11632 \$107-113 \$507-511 \$394-398 \$545-550	(£614-624)					
OTHER CURRENCIES									
July 24	2	; s		£ Note Rates					

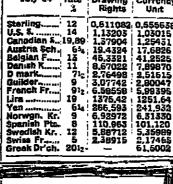
	1.8500-1.8675	1.8635-1.8645	0.95-1.05c dis	-6.44 2.03-2.13diz	-4.46		<u></u>	·	['		
	1.4895-1.4950	1.4910-1.4930	0.56-0.66c dia	-4.91 0.87-1,05dis		Argentina Peso	8883-8903;	4769-47891	Austria	31.60-31	1.9
	1.2154-1.2184	1.2181-1.2184	0.14-0.17c dis	-7.53 0.34-0.37dis	-1.15	Australia Dollar	1.6320 1.6340	0,8765-0,8770	Belgium:	78,00.78	
	2.7120-2.7195	2.7120-2.7140	1.79-1.69c pm	7.76 4.10-4.00 pm	5.97	Brazil Cruzeiro	176.16.177.16	94,69.95,16	Denmark	14,13-14	
	39,93-40.04	39.53-39.55	4-12c die	-2.40 4-12 dis	-0.80	Finland Markha	8.48-3.49	4,5500-4,5520	France	10,70-10),8
	7.6450-7.6700	7.6475-7.6575	1 ² 2-1 ² 4ore pm	2.16 1½-1 pm	0.65	Greek Drachma	108.655 111.961	59,55.59.75	Germany	4,511-4.	
-	2,4320-2,4465	2.4370-2.4380	1.76-1.70pt pm	8.52 3.97-3.91 pm	6.46	Hong Kong Dollar	10,661-10,6712				
ı	65.00-65.40	65.20-65.40	par-25c dis	-2.29 par-75 dis	-2.29	Iran Rial		81.50	Japan		
	97-90-98.25	98.05-98.15	25-5¢ pm	1.83 15 pm-par	0.30	Kuwait Dinar (KD)		0.2831-0.2835	Netherlands	5.021, 5,	D
	1.214-1.218	1,215-1,218			-12.17	Luxembourg Fr	74,40-74,50	39,93-39,95	Norway	11.27.11	
	6.1100-6.1325	6.1100-6.1200	4.05-3.55ore pm	7,46 8.50-8.00 pm	5.40	Malaysia Dollar	9.3713-4,4U13	1 1000 1 1000	Portugal		
	5.7970-5.8170	5.8025-5.8075	0.40-0.90c dis	-1.34 3.25-4.00dis		New Zealand Dir.	4.433U-Z.Z33U	7 4110 7 4160	apain	1761: 18	
	5.1950-5.2050		2.30-2.15ore pm			Saudi Arab. Riyal		24110-94100	Sweden	9.60 9.	70
	234.00-235.25		2.75-2.60y pm	13.69 8.85-6.70 pm		Singapore Dollar.	7.01204,0223	6,1353-2,1343	Switzerland	3.8917-5.	2
	17.15-17.19	17.15-17.16	12.39-10.60gro pr		6.06	Sth. African Rand	1,7940-1,7300	0,9410-0,9420	United States,	1.8512.1	
	2.1010-2.1150	2.1040-2.7050	2.00-1.90c pm	13,12 4.92-4.82 pm		U.A.E. Dirham	0,70-0,04	0.0700-0.6730	Tugoslav:a	70.76	à
				•					عليس بالمنازي الم		_
				orward premiums on		† Rate given for	Argentina is the	commercial rate	. The financial r	ere for st	ori
30	unts apply to	the U.S. dalls	er and not to the	e individual currenc	y. /	is 12,030	0-12,070 and for	the doller 6,45	0-6.500. "Selling	rate.	
					-			•			
٠.	CHOPEN	CV INTE	DECT DAT	TÈ Market	alaeir	og Dotoel					

EURO-CURRENCY		INTEREST	RATES	S (Market closing Rates)									
	July 24	Sterling	U.S. Dollar	Canadian Dollar	Dutck Guilder	Swiss Franc	West German Mark	French Franc	Italian Ura	Belgian Franc Convertible	Јаранезе Уен		
	Short term	12 ¹ 4·15 13 ¹ 4·15 ¹ 2 14 ¹ 4·14 ¹ 4·14 ¹ 4·14 ¹ 8 14 ¹ 8·14 ¹ 8 14 ¹ 8·14 ¹ 4	197g-207g	20-22 20-22 20-304 197 ₃ -204 195 ₈ -20 185 ₈ -185 ₄	143-135- 13-1312 13-13-3- 13-3-13-3- 13-3-13-3-	19-1 18-1812 9-91 ₉ 912-958 10-101 ₈ 914-958	114-1112 1158-1178 1218-1214 1258-1216 1258-124 1212-12.2	18-19 2012 2112 2113-22 2113-22 2114-2112 1934-2013	50.80 32.41 3514.3534 3034.3214 2935.3114 2734.2914	24 28 20-22 2112-22 20-2012 1912-1934 17-18	534 614 612-634 612-634 714-712 714-712 713-71		

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 24)

3 months U.S. dollars	6 months U.S. dollars	The fixing rates are the antimistic means, founded to the nearest a sixtemath, of the bid and offered rates for \$10m quoted by the market to
bid 19 5/18 offer 19 5/16	bld 187/8 offer 19	reference banks at 11 am each working day. The banks are National Westmin Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Mor Guaranty Trust.

July 24 1981	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury	Eligible Eank Bilis +	Fina Trade Bills #	CURF	FNC	V DA	TES
Overnight		1154 1332	1234	<u> </u>		121g-1254		_						
days notice days or		_	134	=	=	13-1359		~	_	_	July 24	Bank rate	Special	Europe
7 days notice	1	127g-133g	1,312		14	l –	124-1219	<u> </u>	- 1	-	8019 64	3	Drawing Rights	, Currer Unit
One month		14 A 143g	14	1434-1434	1412		1274-13	1513	14 - 141	143	\ 			
we menths	1659 164	1416-1416	1412	1479-1412	1458		124, 13	13 6	14.6 1413	1434	Sterling		0,611082	0.5556
hree months.		1414-1419 143a 145a	1412	1478-141 ₂ 1468-141 ₄	14 ;; 143 ₆	1412	13-13lq	1378	14.6-1418	145; 1448	U.S. S Canadian S	10 00	1.13203	1,0301
Six months Vine months		145: 14%	****	1478-1436	1432	1 = 1		_	133 ₁ -13 ₁₃	A745	Austria Sch.	12,09	1.57904	1,2545 17 CDC
one year		146-148	145a	1459-1414	145	. = .	=		: I	_	Belgian F		45,3321	41.252
wo years			147g			1 =			_ 1		Danish K		8.67022	



*Board meeting intimated. † Rights fasue since made. † Tax free. § Scrip lasue since made. † Forecast.

BASE LENDI	NG RATES
A.B.N. Bank 12 %	Grindlays Bank
Allied Irish Bank 12 %	Guinness Mahon 12 %
American Express Bk. 12 %	Hambros Bank 12 %
Amro Bank 12 %	Heritable & Gen. Trust 12 %
	Hill Samuel
AP Bank Ltd 12 %	C. Hoare & Co
Arbuthnot Latham 12 %	Hongkong & Shanghai 12 %
Associates Cap. Corp. 12 %	Knowsley & Co. Ltd 121%
Banco de Bilbao 12 %	Langris Trust Ltd 12 %
BCCI 12 %	Lloyds Bank 12 %
Bank of Cyprus 12 %	Mallinhall Limited 12 %
Bank of N.S.W 12 %	Edward Manson & Co. 13 %
Banque Belge Ltd 12 %	Midland Bank 12 %
	Samuel Montagu 12 %
la Tamise S.A 12}%	Morgan Grenfell 12 % National Westminster 12 %
Barclays Bank 12 % Beneficial Trust Ltd 13 %	Norwich General Trust 12 %
Beneficial Trust Ltd 13 % Bremar Holdings Ltd. 13 %	Norwich General Trust 12 % P. S. Refson & Co 12 %
Bristol & West Invests, 13 %	Ryl. Bk. Canada (Ldn.) 12 %
Brit. Bank of Mid. East 12 %	Slavenburg's Bank 12 %
	E. S. Schwab 13 %
Brown Shipley 12½% Canada Perm't Trust 13 %	Standard Chartered 12 %
Canada Perm't Trust 13 % Cayzer Ltd 12 %	Trade Dev. Bank 12 %
Cedar Holdings 12 %	Trustee Savings Bank 12 %
Charterhouse Japhet 12 %	TCB Ltd 12 %
Choulartons 12 %	United Bank of Kuwait 12 %
C. E. Coates	Whiteaway Laidlaw 121%
Consolidated Credits 12 %	Williams & Glyn's 12 %
Co-operative Bank*12 %	Wintrust Secs. Ltd 12 %
Corinthian Secs 12 %	Yorkshire Bank 12 %
The Cyprus Popular Bk, 12 %	Members of the Accepting Houses
Duncan Lawrie 12 % .	Committee. 7-day deposits 9%, 1-month 9½%.
Eagil Trust 12 %	Short term £4,000/12 months
E. T. Trust Limited 12 %	11,85%.
First Nat. Fin. Corp 14 % †	
First Nat. Secs. Ltd 14 %	and under 9%, up to £50,000 10%
Robert Fraser 12 %,	and over £50,000 11%. Call deposits £1,000 and over 9%.
Antony Gibbs 12 %	Demand deposits 92%.
Greyhound Guaranty 12 %	21-day deposits over £1,000 101%.

EQUITIES Hartons 5p. 19
Hold Oil services 19
Holdson Exploratin 70
KCA Drilling 213
Memoc 100 480
Historium Repro 62
Murray Tachnology. 47
Holdson 197
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FIXED INTEREST STOCKS

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**Issued by way of capitalisation, §§ Reintroduced. Connection with reorganisation, marger or takeners. [I Introduction. former preference holders. [I Alictment letters. (or fully-paid). • [I

FT UNIT TRUST INFORMATION SERVICE

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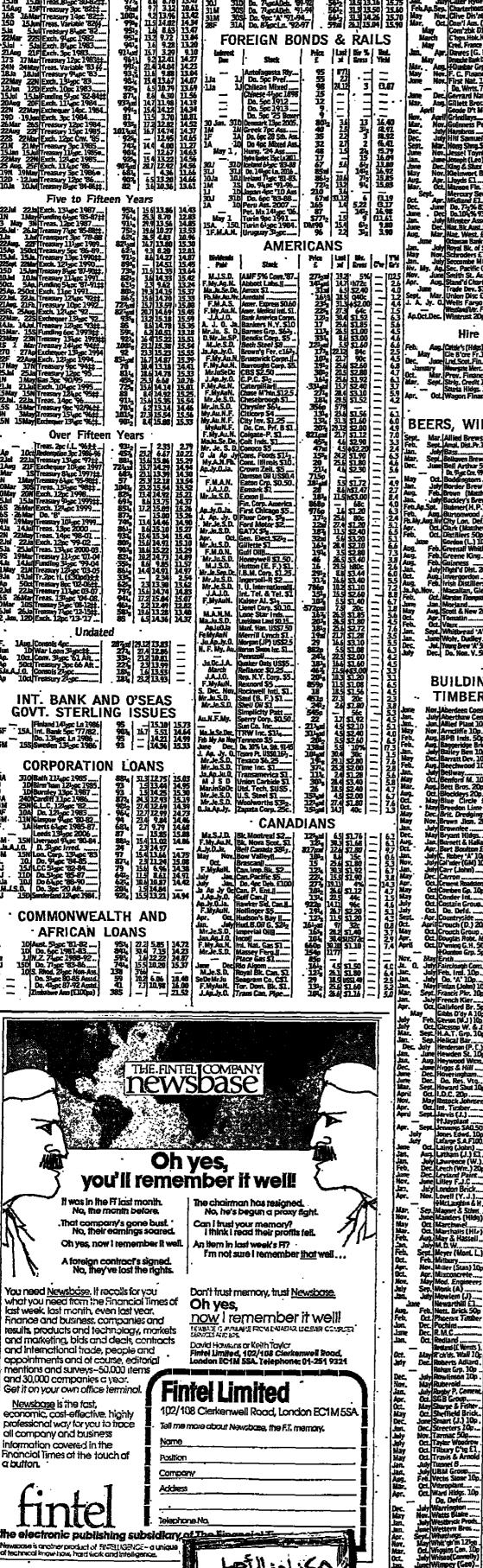
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MACHINE TOOLS



SHARE INFORMATION BANKS AND HIRE PURCHASE BEERS, WINES AND SPIRITS BUILDING INDUSTRY, TIMBER AND ROADS The color of the c Jac Burnett Hidgs.
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July London Brick.
Nov. Lovell (Y. J.)
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Sep. Magnet & Sthm.
June Manders (Hido)
Oct. Marchanis (Hille)
Aug. May & Hassell.
July M.D. W.
Sept. Meyer (Mont. L.)
Feb. Milbury.
Nov. Miller (Stan) 10p.
Aug. May & Hassell.
July Mod. Engineers
Sep. Mont. (A)
July March's Mail 10p.
Dec. R. M.C.
Oct. Rediand (L'Wms)
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July Do. T. Ch. Pl. 92-79.

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Oct. Ward & Gold...

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CHEMICALS, PLASTICS

DRAPERY AND STORES

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July Alpine Soft D 10p

June Ass. Biscutt 20p

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68 137 457 3.9 3.6 135

Oct. Ass. Biscutt 5p

Cot. Basis (Sidaey C.) 138

139 134 23 15 25

Oct. Basis (Sidaey C.) 138

23 15 25

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Agr. Barr (A.C.) 1... 227

Dec. Barrow Mill 20p

32 12 12 25

34 52 53

37 54 53

Agr. Barr (A.C.) 1... 227

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Oct. Barrow Mill 20p

126 137 22

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Oct. Bischol' Stores

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FINANCIAL TIMES

Monday July 27 1981



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To Service

Resident No.

STATE MOUNTS RESCUE FOR AILING WILLOT EMPIRE

French textile chief charged

Telecom in key optical fibre talks

fibre is that neither country has sufficient demand at present to make a single factory profitable.

main telecommunications manufacturers are especially keen to sell System X, the latest

Germany and Britain, which week British Telecom have the third and fourth announced a second round of

and expansion. network — which links large Some form of co-ordination exchanges within a local area

telecommunications orders for optical fibre for the

could give companies a market exchanges, overseas.

BY ELINOR GOODMAN AND WILLIAM HALL

tion of the Monopolies

Commission report on credit cards which would allow merchants to charge more when

The report has put the government is an embarrassing

position. If it implements the

main recommendation this will lead to a rise in prices for some

credit card users which will be

politically unpopular. On the other hand, it is virtually un-

known for the government to overturn a Monopolies Com-

mission recommendation. An announcement is expected soon.

Mrs Sally Oppenheim, the Minister for Consumer Affairs, has had the report since last

September but has not yet de-

Continued from Page One

Chinese silver

credit cards are used.

BY DAYID WHITE IN PARIS

THE CONTROVERSIAL busi- property and other interests ness empire of France's Willot should stand as security. family showed further signs of Trumbling at the weekend when promise made by M Pierre whelming majority—who are M Jean-Pierre Willot, the most Dreyfus, the Industry Minister, victims of the economic situation and must be assisted in 1974, all four brothers were behind the Agarhe-Willot textile be made to bear full responsible name of national soli-fined and given suspended and retail group, was summoned bility in any settlement for the darity."
to Paris and charged with the group, which in total employs The misuse of company assets.

This surprise development came as the Government took a decisive further step towards mounting a rescue operation for the group's manufacturing side, Boussac-Saint-Freres, (which includes the prestigious Christian Dior fashion business)

loan to help pay outstanding wages and keep the group affoat for the next few weeks, on condition that the Willots' possessions.

BRITISH TELECOM and the

West German Bundespost are

in discussions which could lead

to an unprecedented co-ordina-

tion of their purchasing policies.

especially in the key area of

threads of glass which can carry

up to 2,000 telephone calls each. The British hope to persuade the Bundespost to buy optical

The probable source of fibre

for both authorities is the £11.5m factory being built by BICC and Corning, the U.S. glass company which developed

the most widely-used method of

Record U.S.

trade deficit

with Japan

THE U.S. trade deficit with

Japan is likely to hit a record

\$13-14bn this year, Mr Malcolm Baldridge, the U.S.

Commerce Secretary, warned after he and his Japanese

counterpart had agreed on a

new high-level council to pro-

mote more evenly balanced two-way trade.

The new U.S.-Japanese

council, due to hold its first

meeting here in two months, will upgrade a panel set up in

1977 to try to open more of

the Japanese market to U.S.

exporters.

Japan escaped public criti-

cism at the recently con-

cluded Ottawa summit for

the trade surpluses it is piling up with the U.S. and the

European Community. But in

his talks here last week with U.S. officials from President

Reagan down, Mr Rokusuke Tanaka, Japan's Trade Minis-ter, was told the U.S. would

not relent in its efforts for

better access to the Japanese

market.
The most acute trade prob-

lem between the two countries

has been Japanese car ship-ments to the U.S., which Tokyo has agreed to keep to 1.68m vehicles this year, com-pared to more than 1.8m last

So far there have been no

U.S. complaints that Japan is

not sticking to this commit-ment, which was volunteered by Tokyo under threats by

the U.S. Congress to legislate

compulsory import quotas.

But it has not gone unnoticed in the anxious U.S.

car industry, where domestic

sales have once more been

squeezed by the upturn in

interest rates, that Japan hit a car production record in

expected

prdouction.

to make production economic.

These are the hair-thin

BY JASON CRISP AND GUY DE JONQUERES

the emergency finance at a Lille through the commercial court, said: "We prosecutions.

know how to assume our responsibilities."

M Pierre Mauroy, the Prime stemmed from "dishonesty or troubled Boussac textile empire, incompetence" and that this taken over by Agache Willot would include their personal

GEC, which has an optical

fibre production plant in East

London, has been involved in discussions with BICC and

Corning and may join the ven-

Agreement between the two

large enough to justify increas-ingly high development and

The problem with optical

ture in Wales.

fibre from a UK plant initially, make a single factory profitable.

Bundespost agreements to systems in the world respectively, are spending billions of company would probably continue until demand made it and expansion.

This move fulfils the recent France, "with those-the over- since been reduced to a holding

The Prime Minister said that about 35,000 and has an annual the courts would act with com-Another brother, M Regis Willot case, but that the concern, Saint-Frères, but the Willot, after giving his under-taking to abide by the terms of the emergency frame at 2 1112 position "perfectly clear" through the director of public

The charges against M Jean-Pierre Willot relate to the for which the brothers filed a M Pierre Mauroy, the Prime management of two sub-bankruptcy petition last month. Minister, warned that a tough sidiaries: the Christian Dior The Government granted an line would be taken with comfashion business, which was the immediate FFr 100m (£9.2m) pany chiefs whose problems most coveted part of the three years Jardinière, a 150-year-old store panies of the group.

plant in Germany. The fibre between the two countries could — because of cost. would be put into cable by Gerhelp manufacturers achieve

through greater economies of scale. A distant possibility is

for joint ventures between British and German companies

to sell telecommunications systems to other countries.

British Telecom and the three

digital computer controlled

Germany has ambitious

plans for optical fibre installa-

tion although Britain has far

more already installed. Last week British Telecom

trunk network worth £15m. Significantly it did not place

any orders for the junction

Dilemma faced over proposal to

THE GOVERNMENT is having recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card setous doubts about implementing the principal recommendation which would different prices to credit card companies to users and other consumers.

drop the so-called "no discrimination" clause in their

This clause forbids merchants

to charge different prices de-pending on whether goods or

services were bought with cash

Petrol stations, in particular, have long argued they should

be allowed to charge more if

petrol is bought by credit card, since they have to pay a fee

which erodes their thin profit

The Monopolies Commission argued the imposition of a "no-

discrimination" requirement on

traders by the card companies

had the effect of preventing a trader from competing with

the credit card company,

contracts with merchants.

or a credit card.

margins.

cided whether to back the main other, traders by offering

often smuggled in from Hong China linked its currency to Kong on board the same small the metal up to the mid-1930s.

vessels that bring out the silver. and for years imported large

The Chinese authorities have amounts from the U.S. and also been perturbed by Mexico to make into coins. smuggling of gold jewellery. Total silver stocks in China jade and antiques during the in 1932 were put at 50,000

last year or so. tonnes—worth close to \$15bn
The flows of silver reaching at present prices. The Government's present official holdings of the metal are believed to be of the metal are believed to be one of the

of last year. This renects the tan-in the price — down to \$8.50 per ounce from \$50 in January has been just a small part of the massive flows from all over the massive flows from all over

Enormous stocks of silver severe glut on the international

however, are, left in China. As market, and have kept precious

the last country in the world metals refiners working over-

increase credit card charges

"This is not the case:" he group that the Willots bought said during a trip to south-west in the late-1960s and which has

> prison sentences for the manner in which they took control of another store group

> M Jean-Pierre Willot's role as effective head of the group was confirmed in April when the eldest brother, M Bernard Willot, resigned from the chair-manship. After being charged by a Paris magistrate, M Jean-Jierre Willot was released on condition be remain in France and refrain from exercising his functions in the various com-

If the Bundespost were to

buy fibre from the same source

as British Telecom it is likely

the price might fall enough to

make it economic. The UK Department of Industry is

likely to announce this week a

support programme for optical

from Siemens, the German

electricals giant, which also has

a Corning licence, might not be forthcoming if the company

was to gain access to the UK

year to supply British Telecom with amplifier equipment for a

satellite earth station at Goon

hilly in Cornwall. It also bought

an important choice when pur-

chasing goods or services, and

in some cases possibly raised prices, generally. The matter has been com-

plicated since there appears to

have been differing views in the Office of Fair Trading on

the wisdom of the Monopolies

Commission recommendations.

Mr Gordon Borrie, the director general of Fair Trading, is believed to support

the commission line.
One possible compromise

which has been suggested, is

that the credit card companies agree to cut their merchant

charges in return for the

government dropping the

Monopolies Commission recom-

mendation on "no discrimina-

Continued from Page 1

fields as Tiffany. Toni and Thelma in Block 16/17.

Development plans for T

block are being reconsidered in

the light of both new geological

information and changes in the tax regime. Partners in the

BP

a Swindon company, Semitron which makes specialist diodes with applications in telecom-

munications and defence.

Siemens won a contract last

telecommunications market.

Objections to the proposals

Phalangists may sever links with **Israelis**

the dominant Christian group in the Lebanon, has undertaken to sever its links with Israel, thereby removing one of the biggest obstacles to an internal settlement among the country's factions and raising hopes of bringing about some form of national reconcilia-

fire in the south of Lebanon agreed upon by the Israeli Government and the Palestine Liberation Organisation last Friday appeared to be holding. No breaches were reported yesterday apart from the overflying of Beirut by Israeli reconnaissance air-eraft, which the PLO claimed was a violation, but a Libyanbacked group, the Popular Front for the Liberation of Palestine-General Command, declared that it would contime "fighting against the Zionist enemy with all our

The Phalangist pledge, made in a letter by Mr Bashir Gemayel, the Phalangists' military com-mander, was revealed at the end of a two-day meeting at Baabda, near Beirut, of the

Mr Abdul Halim Khaddam,

Editorial Comment. Page 12

(68F) NW England, Lakes, 1 of Man

intervals. Max. 18C (64F).

Normal temperatures

WORLDWIDE

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By Our Beirut Correspondent THE PHALANGIST Party,

Meanwhile the fragile cease

potential and across all Arab fronts."

Arab League sub-committee chaired by President Elias Sarkis of the Lebanon.

the Syrian Foreign Minister. declared that the Phalangist commitment cleared the way for re-establishment of an "entente" in Lebanon. One part of the plan discussed involves the deployment of the Lebanese army in the south and the restrictions of armed concentrations of the Palestinion guerrillas to certain prescribed locations, according to the Beirut newspaper, Le Reveil.

Other members of the committee are Mr Chedli Klibi, Arab League secretary-general, Frince Saud al Feisal, Saudi Arabian Foreign Minister, and Sheikh Sabah al Ahmed al Sahah, the Kuwait Foreign Minister. It is to meet again early in September There was some optimism

that the ceasefire negotiated by Mr Philip Habib, President Ronald Reagan's special envoy. vould be observed for a while despite the defiance shown by the PFLP-GC, which claimed responsibility for the violations of the ceasefire on Fri-day night and Saturday.

A PLO official here stressed that the PFLP-GC had been a party to the agreement to call

Weather

UK TODAY

CLOUDY WITH a little rain in North, brighter later and London. SE and E England, Midlands

Dry, sunny periods. Max. 23C (73F). Channel, Wales

Dry, sunny intervals, some hill and coast fog. Max. 20C

Sunny intervals, rain or drizzie. Max. 20C (68F).
Scotland, Highlands Cloudy, some rain and sunny

Rest of Scotland and N Ireland Cloudy, light rain. Bright intervals. Max. 18C (64F). Outlook: Sunny intervals, cloudy in places. A little rain.

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C—Cloudy, F—Fair, Fq—Fag. N—)
R—Rdin S—Sunny, SI—Sleet,
Sn—Snow, T—Thunder,
†Noon GMT tomogratures,

THE LEX COLUMN

German stocks and foreign buyers

Stock exchange turnover has The Bundesbank money mar-reached record levels and even ket policy remains at the mercy the generally dour West Gerseling assets to meet a high level of net redemptions. But foreigners, lured by the

which has depreciated by a quarter against the dollar this year, are returning in strength. running early in the year, have up file fires of the equity been followed by U.S. pension funds, London investment managers and, unsurprisingly, the French. the French.

Yet currency considerations alone do not make a bull mardeposits offering around 12½ per cent and 5-year domestic bonds returning 117 per cent, there are ample alternatives to an . equity market ylelding less than · five per cent to foreigners. The domestic economy still shows no sign of recovery and

all outperformed the market

of the Federal Reserve Board man banks have begun to wax but it may soon be in a posilyrical about their market. The
enthusiasm has not so far
washed off on domestic Government is running ahead
investors, who probably remain
net sellers of German equities:
the important mutual funds are
bond rates. The Federal
Government is running ahead
investors, who probably remain
net sellers of German equities:
bond rates. The Federal
of schedule on this years
bond bond rates.

DM75bn horrowing programme
and Bonn's plans to cut spends ing by up to DM20on next year: have a reasonable chance of success. If the U.S. honours its prospect of gains on a currency pledge to reduce short rates later this year. Europe's economic locomotive could start to make some beadway at home Opec countries, which made the in 1982. And that would stoke

The summer round of proalone do not make a bull mar- perty company asset revalua-ket. With 3-month Euro-DM tions has thrown up an unusually wide variation this year. While British Land and Land Securities have shown 8 and 9. per cent increases in valuation; Property and Reversionary and Property Holdings can boast 15 per cent, and for Haslemere the figure is as high as 18 per cent:

week pinpointed the sluggishness of the industrial market,

The West German stock market is at last showing signs of West German enalysts have centrated of the same shrugging off the toron into which it sank three years ago. The principal Frankfurt indices earnings and now expect virtue the worst ravages of the recesshave risen by around 8 per cent ally no change on the year. But sion. The discrepancy between these better earnings prospects Land Securities and Hastemere, now largely discounted and any for instance, has to be explained contact further rise in equity by nice points such as the toria Street compared with the

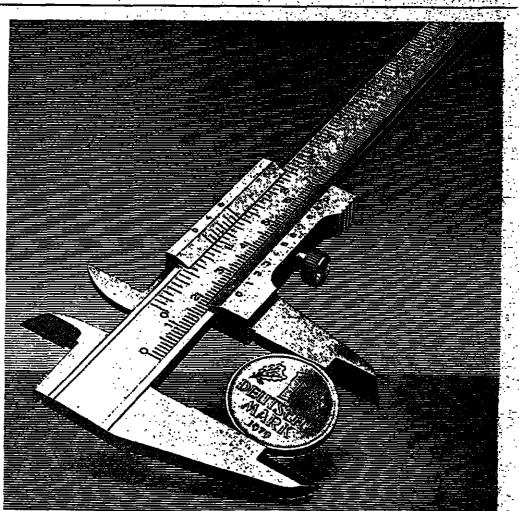
It is no coincidence that Estates Property, one of the few companies with significant involvement in the North of England, is currently at its low for the year. For most other quoted companies rents are expected to continue growing over the short term, although the rate may fall further behind inflation. The main uncertainty is reaction to council rate rises. which could lead to a frag-mented property market even in the South East

In the South East.

Investors may be relatively relaxed about rental prospetts, but property yields now look to have reached rock bottom. From abut 8 per cent in the mid-seventies, prime office yields have fallen to 41 per cent. Prime shops, meanwhile, are even lower at 31 per cent. These levels must be measured. levels must be measured against the real returns of more than 25 per cent evaluable on index-linked gilts. The counterattraction of investment abroad

at eaction of investment abroad is another unfavourable expent selement in the equation.

So from now that thouse as if property companies will have to rely on rental growth thought your capital grips. But the past year, the sector has been stable at a kind market velocities. the improvement in the fundamental position of the market is due overwhelmingly to the higher export orders and earnings arising from the D-Mark's slide. Chemicals, motors and engineering stocks, which in Germany are exceptionally derates have pulled it down again. The behaviour of a left wing while the major department especially in the hard hit parts local authority looks a curlous, stores, for example, are standing below the already depressed have been rising. But the assets port for property shares.



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on trade finance and forfeiting). placement and trading in foreign securities such as Eurobonds, convertibles etc. foreign exchange, and international portfolio. management.

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O The Financial Times Ltd., 1981.

Bank expected to double 'eligible names' BY WILLIAM HALL, BANKING CORRESPONDENT

names" in the money markets system of monetary controls the The same facility, has never -banks whose bills are Bank intends to rely more been granted to major foreign status have had to meet a num accepted by the Bank of England heavily in its money market

The list is one of the final elements in the new system of felt aggrieved that "eligible larger British overseas banks, bills. monetary controls which comes status" in the money markets Commonwealth banks which

into operation on August 20.

THE NUMBER of "eligible level of £5.7bn. Under the new for cash at the Bank of England. old tea company. is expected to double to more management on intervention in the bill market rather than disthan 100 soon.

The Bank of England expects
to announce a first list of eligible banks early next month.

The bill market rather than discount window lending. As a eligible names consists broadly of the London and Scottish number of banks in the market.

to abandon the silver standard, time.

Many foreign banks have long nto operation on August 20.

has been confined to predominhave had branches in London The expansion of the number natly British and Commonfor many years, certain other of "eligible names" is part of wealth banks. This enables banks and "some Bank of

Accepting House Committee, the the authorities' plan to increase them to command better rates England customers of long the size of the sterling commer- on their bills since, as a last standing." The latter includes cial bill market from its present resort, they can be discounted Ogilvy, Gillanders and Co, an

Banks applying for eligible ber of criteria. They have ha to prove that they have main tained a broadly based and sul stantial acceptance business i the UK and that their acceptances command the finest rate in the market for ineligible

In addition, foreign bank have had to prove that British banks enjoy reciprocal oppor-tunities in the foreign bank's domestic market.

Banking status, Page 4